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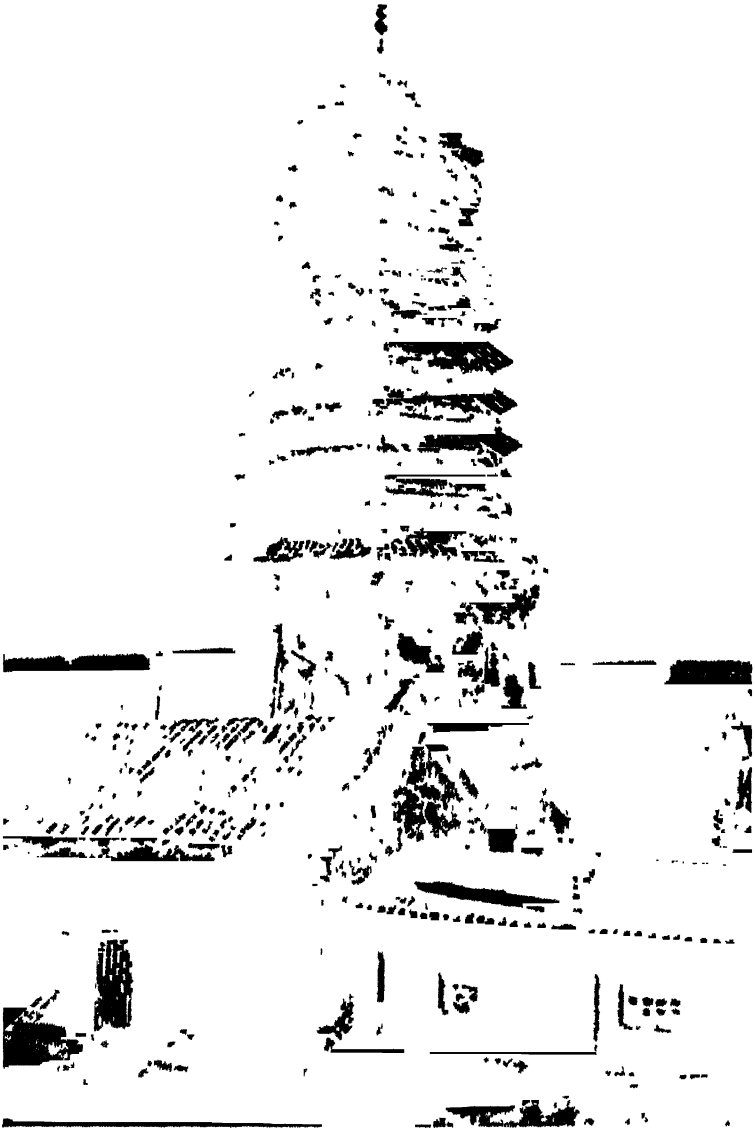
THE COCKPIT OF ASIA



THE LA-MA-TA, OR TOWER OF THE LAMA, AT MUKDEN, REPUTED TO BE 2,000 YEARS OLD

MANCHURIA

THE COCKPIT OF ASIA

By

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With sixteen reproductions from photographs and a map

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FOREWORD

FEW questions in recent years have excited more interest and anxiety in diplomatic and political circles than the future of Manchuria, that rich treasure-house of natural wealth forming three of the outlying provinces of China, in which Japan, the United States, Soviet Russia, and Great Britain have vital interests, yet which to the public is scarcely more than a name.

Manchuria was destined by the accident of history to become the cockpit of international ambitions. Nominally Chinese soil, and yet outside China proper, its strategic and industrial importance caused world statesmen to realize the complications which might arise from the presence of a predominant foreign Power attempting to occupy and exploit it.

The present situation is the outcome of all that has happened since the Treaty of Peace signed at Shimonoseki, between China and Japan, in April 1895, allocating to the Japanese a portion of the southern half of Manchuria as the spoils of war.

The booming of the guns announcing the victory had scarcely died away before Russia stepped in and deprived the Japanese of all they had won by right of conquest. Russia in turn was expelled ten years later, and thenceforth the story of Manchuria, with its rapid industrialization and ever-increasing foreign trade has been a dramatic one.

To-day its importance is industrial and economic rather than strategic. Access to the food and raw materials of Manchuria has become a political principle of the first importance to Japan, while the developments financed and carried out by the Japanese have transformed the country from an empty, backward land into an area destined to play an increasingly important part in the industrial economy of the Far East.

It is our endeavor to give a clear and concise account of this battle-ground of Asia, with its immense pastoral, mineral, and economic wealth—the land that is the Mecca of millions of Chinese and other settlers to-day—to outline the issues at stake, and to relate the facts behind the crisis in the Far East, with its grave repercussions, at Shanghai, which was precipitated by the occupation of almost all Manchuria by the Japanese after the seizure of Mukden in September 1931.

It raised issues of world-wide international import, upon which information has been scanty and often contradictory. We trust that this volume, by examining the facts relative to the origin of the present crisis, and the arguments of both Chinese and Japanese advocates, may assist in securing a settlement in the interests of both Manchuria and its people.

P. T. ETHERTON
H. HESSELL TILTMAN

LONDON
January, 1932

MANCHURIA:
THE COCKPIT OF ASIA

CHAPTER I

MANCHURIA AND THE NATIONS

MANCHURIA, the promised land of Asia, where drama never dies, is a land of strange incongruities. Over a portion of it a Western veneer has been spread, but only after great labor. The veneer is deceptive; it ends at the edges of the towns, and even where the crust is thickest there are sudden cracks through which you see, unperturbed and unchanging, a land whose people quite obviously desire to remain oblivious to civilization.

Great commercial activities, run by modern methods, steadily develop in the midst of a large population, who are content to live as their ancestors did centuries ago, swayed by customs that nothing can alter.

Manchuria is a dependency of China, bounded by Siberia on the east, northeast, and northwest, on the west by Mongolia and a part of the Great Wall, which is still in a wonderful state of preservation, despite the lapse of seventeen centuries since it was built.

Korea is the border on the southeast, and its present-day shape is approximately a triangle with the base in the north running along the Amur River, the apex dividing the Gulf of Chihli from the Yellow Sea.

The sea and rivers define the frontier on the north, east, and south, and two extensive mountain ranges, with fertile valleys between them, traverse Manchuria from north to south, the northern part well wooded, the southern half highly fertile and productive and with twice the population.

There has never been a proper survey of Manchuria, for such a work would be distasteful to the Chinese, especially in parts of their dominions of which they have imperfect geographical knowledge. So far as is known, and from estimates we have made on the spot, it is about 370,000 square miles, the size of Britain and France combined, and lies in the same latitude as London, Berlin, and Naples.

The Manchurian climate is the despair of weather experts. In the summer it will be blazing hot, with temperatures as high as Egypt, and in the winter the thermometer will drop to fifty degrees below zero. Cold and searching winds come down from the north, sweeping over from the Gobi Desert, the second largest desert in the world, freezing everything in their path.

The rivers are frozen over and the people move about in ice boats propelled by sails. Races are held between these rough and ready craft, for the Manchu

is a sportsman and likes to combine it with a little gambling.

Manchuria is one of the world's most fascinating regions, and, apart from its era of war and conquest, the scene of the largest migration of modern times, whilst it is also the richest and most progressive part of the Chinese republic.

Here through many turbulent years three antagonists have met, whose struggles shook the world. Stupendous forces—political, martial, and economic, have loomed large in the stirring history of Manchuria, and added to its repertoire of high adventure.

None of these factors affects the destiny of age-old Manchuria itself, but they affect the welfare and future being of China, Japan, and Russia, apart from Britain and the United States.

To-day Manchuria stands forth in vivid outline, the prey of contending factions, the coveted prize of the Far East, and a land that has provided the hardest problem the League of Nations has yet had to tackle; it tests the power and ability of the League to enforce its decisions, and has put the League on trial, and the world is wondering how it will finally emerge from the ordeal.

Before we examine the various forces that have been at work in Manchuria, and the issues involved in the present crisis, let us briefly trace its history, and see how the various parties on the stage there came into the picture.

Russia is the leading actor in the play, for Russian

interest in Manchuria has existed since the sixteenth century, when Russian and Cossack expeditions crossed the Ural Mountains, the dividing-line between Europe and Asia, to look into the unknown country beyond, to search for gold, silver, and furs, of which they had heard so much. Encouraged by the results of these ventures, the gold hunters and fur trappers gradually made their way eastwards through Siberia to the shores of Behring Sea. Then by a treaty dated October 1687 the Russian empire was extended to the northern boundary of Manchuria. When Moscow heard of the wonders of this new land other expeditions were sent out, until the opening of the eighteenth century gave them Nerchinsk and the Upper Shilka. There Russia remained, satisfied with existing treaties, and not until the middle of the last century did she resume her forward movement. This eventually culminated, as we shall see, in the acquisition of the maritime province of Manchuria by General Ignatief, the astute Russian representative at Peking, in 1860.

Peaceful penetration and development went on, until in 1858 the whole vast territory north of the Amur River was definitely ceded to Russia, and further concessions under the common overlordship of Russia and China gave rise to an armed protest from Great Britain and France, and in 1860 Anglo-French forces occupied Peking. Russia took no active part in the dispute, but the Czar's Minister at the Chinese Court—General Ignatief—watched developments and

was prepared to take such action as the resources of Russia in the Far East then permitted. The Trans-Siberian Railway had not even been thought of at Petersburg, and more than thirty years were to elapse before the first rail was laid. The Russian Fleet was negligible, and the facilities for transporting a fighting force to the Far East were so limited as to preclude any timely and effectual interference in Far Eastern affairs.

The Chinese were naturally anxious to get rid of the Anglo-French forces at the earliest possible moment, their continued presence was a menace to the imperial throne, and rendered the omnipotence of the Chinese emperor illusory in the eyes of his subjects. They regarded him as the Son of Heaven, who ruled over all beneath the sun, holding the nations on earth as vassals. It was obviously desirous to maintain the imperial reputation, and here the Russian Minister Ignatief saw his opportunity. He assured the Chinese that he could restore the *status quo ante* by securing the prompt evacuation of the capital; the taint of foreign intervention and the damaging effect of the presence of foreign troops in the imperial city, the center and focus of Chinese authority, would be removed, the prestige of the emperor restored, and the world would go on as before.

The proposition was a welcome and tempting one, and even the terms on which it was to be arranged did not appear to the Chinese drastic or far-reaching, so eager were they to see the last of the invading army,

and appear well before the world. At all costs they must preserve "face," to quote the Chinese phrase, one of the most powerful in the language, an expression the people put above all else. If "face," or prestige, can be preserved, all is well; on the contrary, should it be sacrificed, then only ignominy and disgrace remain.

Ignatief understood Chinese mentality and, besides being an astute politician, was conversant with the curious psychology of the Orient, and in the chance happening that now came his way he meant to draw the utmost advantage to the benefit of his country.

So the Chinese closed with the Russian offer, which was the cession of the maritime province of Manchuria, complete with six hundred miles of coast line and the harbor of Vladivostok. Considering the vastness of the Chinese empire, occupying as it does one-seventh of the land surface of the globe, and containing a quarter of the human race, the surrender of a comparatively insignificant piece of territory did not appear to the Chinese emperor anything out of the ordinary, for being supreme landlord of the whole of China, in theory at any rate, he no doubt felt well able to afford it.

Strange are the workings of fate. The cession of a portion of Manchuria to Russia in this free and easy fashion was destined to have tremendous consequences in the history of the Far East. Two wars were to be fought out over the question of its possession, one of them—the Russo-Japanese War of 1904-5—was to

offer a fruitful field for study by the Anglo-Saxon race, and, incidentally, it was in Manchuria that the new machinery which science and invention had given to the modern armies and navies of the world, was to be put to the practical test of real war. Many problems relative to the conduct and application of modern campaigns were to receive convincing answers on the Manchurian battlefields. But there was far more than that in the cession; it was, when it passed to Japan, as will be seen hereafter, to be the gateway for the latter country to the promised land of Asia, the granary of the East, with a foothold on the mainland of Asia which Japan has desired since her entry into the comity of nations. This gateway to a rich and fertile land was one through which the overflow from the Japanese population, increasing at the rate of eight hundred thousand yearly, could enter and find a future for itself besides taking a definite part in the great and ever-widening field of commercial competition in China.

With the rise of Japan, the coming of the New Far East, Japanese statesmen had foreseen the problem of placing their surplus population, the difficulties arising over immigration restrictions, the ban on the yellow races, and the opposition that would inevitably be met with from those Western Powers who held land in or adjacent to the Far East, to any attempt on the part of Japanese colonists to gain admittance.

Even if there were no other circumstances to be weighed than those already related, the case of Man-

churia and its partial cession would far exceed in didactic interest similar contests which have arisen in the checkered story of the Far East.

So passed Manchuria to the Russians, through the vision of their minister at Peking, who foresaw a great railway linking Russia-in-Europe to the East, its terminus on the Pacific Ocean, with Russia as its controller.

The agreement of the Chinese to the transfer of the province was a momentous step in Far Eastern history, and from here onwards we should follow with close attention the growth and aims of Russian ambition, for Russia has become woven into the history and fate of Manchuria in a particularly vital and absorbing fashion.

We will begin with Central Asia where there had been a definite and all-conquering advance, resulting in the consolidation of Russian interests in close proximity to the frontiers of India. During the seventies and eighties of last century Russia imposed upon Great Britain by the menace of her weight and apparent strength. Her steady advance across Asia seemed to the rulers at Westminster akin to the march of destiny, and it caused much anxiety to our statesmen, becoming almost a form of nightmare.

Having firmly established herself in Central Asia, the eyes of Russian ministers were turned in the direction of the Pacific, and the task of developing Siberia and spanning it with a railway was seriously con-

sidered. Already the vision of Ignatief in 1860 at that dramatic move in Peking was taking shape.

In 1891 the Trans-Siberian Railway had reached Eastern Siberia; slowly but surely it was creeping across Asia, opening up a land of immense distances, where transport in the summer was by cart and during the long winter months by sledge. It had for many years been thought fit only for exiles and criminals, a land that was a byword, at the gateway of which might well have been written "All hope abandon, ye who enter here."

The railway swept away the reputed terrors, it opened up to colonization vast stretches of fertile land, and brought the East into close and intimate touch with the West, whilst it was the sheet anchor of Russian dominion in the Far East.

Contrary to expectations the railway was constructed with great rapidity and in 1896, five years after the first sod had been turned, it had reached Chita on the borders of Manchuria, where an interesting situation developed, another of the incidents proving that in Manchuria drama never dies.

The fixed destination of the railway was to be at Vladivostok on the Pacific Ocean, not an ice-free port in winter, but the best that Russia had been able to secure. Six hundred miles of additional line would be saved if the railway could be carried direct from Chita southeast to Hailar, thence across Manchuria to the terminus. No doubt, the Russians had more visions of the future when they desired this short

cut through Manchuria where the latter country cuts into Siberia, and so they came to the Chinese for permission to build the line as indicated, with the modest object, as they expressed it, of continuing the railway by the shortest route to its Pacific terminus.

At the same time that this request was made a secret pact in treaty form was concluded between China and Russia. The treaty, which was kept secret for many years, provided for a Russo-Chinese alliance against Japan, besides granting the permission for the railway to be carried to Vladivostok.

Once more the Chinese had agreed and given the Russians what they asked. To appreciate the readiness with which this request was granted, we must go back to the previous year—1895—when Japan had emerged from a victorious war with China. As part of the spoils of that campaign the Japanese, under the terms of the Treaty of Shimonoseki, April 17, 1895, received in perpetuity the Liao Tung peninsula, or all land south of a line drawn from the mouth of the Yalu to Newchwang, an open treaty port on the Liao River.

This acquisition was of the utmost benefit to Japan, for, as already remarked, it gave her a footing in Asia, in that promised land that was being so steadily developed and opened up by railways, and invaded by hosts of settlers whose influx recalled the early boom days in the American West. It was the realization of a great dream, where expansion could go on unchecked, and the ever-rising tide of population could

IMPERIAL TOMBS AT MUKDEN

The animal statues represent the departed spirits of the Manchu Emperors' Ministers

be dealt with and a commercial market created to Japanese advantage. Small wonder then, that the Japanese regarded this prize of their war with China as the all-important one, which gave them, *inter alia*, the long-desired location on the Asiatic mainland.

But sinister influences were already at work. Russia was electrified at the treaty which ceded the Liao Tung peninsula to Japan. It was of outstanding value in many ways; it had first-rate commercial and strategical advantages. Port Arthur at its southern extremity was a natural fortress; the port of Dalny, alongside of Port Arthur, was open all the year round, and the ideal terminus for the Siberian Railway.

It would give the warm water port, and was of geographical and political import from its close proximity to the capital of China.

Instant action had to be taken if the visions of a Russia on the Pacific, and paramount in the Far East, were to be realized. At all costs the treaty must be upset and Japanese occupation of the peninsula prevented. Russia stirred up a tremendous commotion in the diplomatic dovecotes of continental Europe, she drew dark pictures of the yellow peril, of the advent of the Japanese on the mainland of Asia, and all the consequences that such events must bring in their wake.

No stone was left unturned to avert the impending disaster, whilst keeping her own plans dark, for Russia was not yet in a position to disclose her hand, the Siberian Railway was still in an unfinished state,

and she was unable to enforce her will upon China against the opposition of Japan.

Within nine days of the bombshell of Shimonoseki Russia had secured the adhesion of France and Germany, and the three Powers presented a combined note to Japan calling upon her to evacuate the Liao Tung peninsula, since her presence there constituted a menace to the safety of the Chinese capital, rendered the independence of Korea illusory, and jeopardized the sovereignty of China.

Appalled by such a combination Japan looked around for a friend to support her in this critical moment of the national fortunes. None was at hand; alone she had to face the demand.

The Imperial Japanese rescript, signed by the Mikado, and issued to the Japanese people, is a remarkable document in that it throws an interesting sidelight on the psychology of the nation and the restraint that followed it amongst a people infuriated by an ultimatum depriving them of the spoils which they had won by right of conquest.

In the main it ran as follows: "Consulting the best interests of peace and animated by a desire not to bring upon our people added hardship, or to impede the progress of national destiny, by creating new complications and thereby making the situation difficult, we have decided to accept the advice of the friendly Powers. We therefore command our subjects to respect our will; to take into consideration the general situation, to be circumspect in all things, to avoid

erroneous tendencies, and not to impair or thwart the high aspirations of our Empire."

The course adopted by the Japanese emperor was the only one possible at the time; Japan was totally unprepared for war on a large scale. The navy and army were still in the making, the reserves of men and material were negligible, and the only hope lay in quiet and strenuous preparation for the struggle which the world knew must, sooner or later, eventuate.

So the Japanese withdrew in dignified retirement and there and then began to work out their destiny.

The circling years again rolled on, but they brought no amelioration in the state of Manchuria, or of China itself. New forces sprang up to aid in the general disruption, amongst them being the Boxers, or Society of the Harmonious Fist, which spread rapidly from north to south. It had the support of the powerful Empress-Dowager, the main object being, as they expressed it, "to drive the foreigner into the sea."

From facts that subsequently came to light it was evident that the Boxer rising had the approval of high Chinese officials, one of whom would appear to be the famous Li Hung Chang, who wielded vast influence and was one of the richest men in China. His was a curious complex nature; reputed to be worth more than one hundred millions sterling, he derived greater pleasure from swindling a coolie out of sixpence than in engineering a big commercial

deal. He once remarked that the value of any appointment was in direct proportion to the amount one could make out of it, and from this simple premise we can gauge the system of bribery and peculation that goes on unchecked throughout China.

On June 20, 1900, the world outside China lost all touch with the Legations in Peking, and rumors of a general massacre were in the air. The American Government telegraphed to Li Hung Chang, who was then all-powerful, to safeguard foreigners, which Li had to make an outward show of doing. But only the timely arrival of the international force saved the Legations and others from complete annihilation. It was largely due to the American efforts, in the person of Secretary Hay, the author of the celebrated Note on the Open Door in China, that a disaster was averted.

This Note is a classic on the political and commercial status of the Chinese empire; the drastic handling of the Boxers by the international expedition, the defeat of the Chinese by Japan, four years later, and the disintegration that was rapidly materializing, make the effort of Secretary Hay to preserve the political and territorial integrity of China of world-wide interest.

The United States has all along been opposed to the break-up of China; they were strongly averse to the scramble for concessions, mining and railway rights, and spheres of influence, and expressed themselves in no uncertain terms. Whilst recognizing the necessity

of assuring their own commercial interests in the Far East, they definitely refused to support the claims made by nations for territorial and other advantages in China, and apart from all that the Open Door policy implied, they rejected offers or suggestions of alliances or combinations which were at variance with their declared views.

The American Note asked that the Great Powers should stand by existing treaties, not to interfere with the existing system of taxation as prevailing in China, and to observe conditions already laid down for European and American nationals in seaport and railway dues. It was a masterly document in that it forced the Powers to disclose what was in their minds. Great Britain agreed with the United States, but the others were not so disposed and sent evasive replies, indicating that they wanted to take part in the scramble and get all they could whilst the going was good.

Let us now return to the point where we left the Russians in 1895, requesting permission to carry their railway through Manchuria to Vladivostok. Russia had recently evidenced her friendship for China by securing the eviction of the Japanese from her territory; had she not done the same thing thirty-five years before, and so proved her pacific intentions, at any rate so far as the Chinese were concerned?

With the Chinese consent the line was carried through as the Russians wished; all over the world it became known as the Chinese Eastern Railway, and from it dates the rise of modern Manchuria.

At this time a scramble was going on for concessions of territory in China; it appeared as though the country were to be dismembered, and the action of France, Germany, and Russia in denying occupation of Chinese ground to Japan, showed what was uppermost in their minds in the plans for partition of China, apart from the fact that it implied a refusal to recognize the right of Japan to play a part on the Asiatic mainland.

As a solace to her wounded feelings Japan was granted an increased indemnity from China, which she applied to steady preparation for the struggle ahead.

In 1896, a year later, Russia again came to China requesting a lease of the Liao Tung peninsula with authority to carry the railway down to Port Arthur. The Chinese agreed, and the Russians established themselves in the very position from which they had ousted the Japanese the previous year.

The new railway, running from Harbin to Port Arthur, was known as the South Manchurian Railway, and both lines, with the political and economic rights they carried, were to work wonders for Manchuria. They were to turn a little-known country, a wild nomadic land, into one of milk and honey, a granary of the Far East, attracting a population that is increasing at the yearly rate of a million and a half.

For the construction of the Chinese Eastern Railway and its subsidiary line, the Russo-Chinese Bank

—afterwards the Russo-Asiatic Bank—was formed; this was in effect an agency of the Russian Ministry of Finance and imparted the desired commercial aspect to the negotiations, making it appear less political and strategical than was actually the case.

Under the terms of the agreement the railway was to be a joint enterprise. Russian engineers built it, a Russian staff controlled all its operations, both technical and administrative, and in its general management Chinese and Russian directors were supposed to have equal rights, but in actual practice they existed purely as a body of sleeping partners.

When finished in 1903 it had cost £40,000,000, of which the Chinese were allowed to contribute one million and to share proportionately in the profits.

When finished the Chinese Eastern line ran from Chita on the Siberian-Manchurian border in the northwest, to Pogranichnaya on the eastern side, where it joined the main line of the Trans-Siberian, continuing southeast to Vladivostok, a distance of about one hundred miles. We have already noted the direction of the South Manchurian line.

Despite the trickery by which Russia had gained the Liao Tung peninsula, Japan refrained from any action, merely contenting herself with a protest and holding steadily on to the course already determined upon.

By 1899 both lines of railway in Manchuria were in military occupation and under military control, a strong Russian garrison held Port Arthur, and there

was every sign that Russia intended to stay on rather than evacuate the country. In 1902 came the Anglo-Japanese Alliance, followed by a Manchurian Convention, under which the Russians agreed to leave Chinese territory in installments on successive fixed dates. Much of the land in question was to be evacuated by the spring of 1903, but the season passed without any definite move on the part of the Russians, and their failure to budge showed that they had determined on the annexation of Manchuria.

In the summer of 1903 the Czar created a Viceroyalty of the Far East, and to the first incumbent was assigned the control of all affairs, diplomatic, civil, military, and commercial of Russia in East Asia. This ukase disclosed the Russian hand, and indicated beyond all doubt that she intended to remain on. The Japanese now became thoroughly alarmed; it was vital to their own immediate interests and welfare that the independence and integrity of Korea should not be jeopardized, which they would be with Russia right on the Korean border. It was evident that a Russian occupation of Manchuria rendered the independence of Korea illusory; to all intents and purposes Manchuria had fallen to Russia, and Korea must soon follow suit. Indeed, the Russians were already busy in Korea, by a process of peaceful penetration, which, as in the Manchurian case, would surely be followed by more definite and concrete action.

The Japanese Government suggested negotiations

with a view to early adjustment of clashing interests, to which the Russians agreed. The Japanese then formulated their proposals which were submitted for the consideration of the Czar's ministers. These negotiations are all-important, since they throw considerable light on the Russian intentions at the time, and are an illuminating picture of the trend of events as they were afterwards to materialize, besides the bearing they had on the future history of Manchuria, and all that has happened, and is now taking place, there.

The Japanese proposals forced the pace, and still further exposed the Russian hand. Russia declined to pledge herself regarding the sovereignty of China, and rejected a clause as to the equality of treatment for all nations having commercial relations with China.

The most damaging rejection, however, was the refusal to recognize that Japan had any interests in Manchuria, or its littoral, coupled with a request that she should consider them as beyond her sphere. But that was not all. Japan was to have numerous restrictions placed upon her movements and influence in Korea; she was not to make use of any part of Korean territory for strategic purposes, and was asked to agree to a neutral zone.

After much negotiation ending in negative results, Japan saw looming ahead of her a life and death struggle with Russia, on the outcome of which her own fate in Asia must inevitably be decided. She

fully realized this at the close of the Chino-Japanese War in 1895, and had been preparing for it with redoubled energy since the Russians had forced her to quit Port Arthur.

Over a period of ten years she prepared with grim determination; the Government, backed by a united nation, threw all their energy and resource into the scale, until in 1904 came the collision. Although the story of the war does not concern us the results of it are germane to the narrative.

Japan regained the Liao Tung peninsula, with possession of the South Manchurian Railway as far north as Changchun, China confirming the transfer and subsequently extending the Japanese lease over a period of ninety-nine years.

The port of Dalny-Dairen—which had been created almost overnight by Russian imperial order, was the talk of the East. Vast sums had been expended on its docks and wharves, its streets, squares, and buildings, and the general lay-out made provision for a large population. The rapid and almost phenomenal growth of traffic and merchandise carried, confirmed the original opinion of the Russians that Dalny must eventually become a great port, to which the terminus of the overland railway, and through trains from Europe would give added weight.

The Russians were right; Dalny grew from a tiny fishing village on the Pacific shores of Asia, to the second port in China.

The overwhelming victory of the Japanese in their

war with Russia had a profound effect upon the Orient, for here was a small island race, of untried power and resources, engaged in a struggle with a first-class military state, with a reputation for doing things on a big scale, capable of mobilizing an army several millions strong, with unlimited financial resources, a Power accustomed to having its own way, and brooking no delay or interference. Here, indeed, was a foe to be reckoned with, holding a railway by which she could pour into Manchuria, and any point in the theater of Russian operations, a continuous stream of reënforcements and supplies. To tackle such an adversary and emerge victorious was a formidable proposition.

The Orient viewed the result with wonder and amazement; this nation of alien race and religion, born of the East, imbued with all the ideals of the Asiatic, had beaten the West on ground of its own choosing, had raised aloft the flag of the Rising Sun, humbled the pride of Russia, and more than justified the Japanese entry into the great comity of nations and her accession to the grade of leading Power in the East.

We remember well the effect the Japanese victory had in India, and still further north in Central Asia, where Russia had long since been regarded as invincible. The gunfire in Manchuria reverberated throughout Asia; Port Arthur the impregnable had fallen, Mukden, famous city of the Manchus and with a far-spreading renown, hitherto regarded as

virtually Russian, was in Japanese hands, the Russian fleet was at the bottom of the sea; all these things had a cumulative effect, the gravity of which few could appreciate in those days before the Great War. The new nation, confident in its strength, fearless in its march, had gripped the Bear in a vice and thrown him headlong through the ropes, gaining a verdict that was almost beyond belief.

The Japanese victory was a challenge to Western domination, and in the sequence of cause and effect it was to have a profound effect upon relations with the Orient. A new tide had set in, new forces were at work, Japan had overtaken the West in the art of peace and war, she has crowded into a matter of sixty years the experience and lessons which it has taken other nations all over the world centuries to acquire. The general result declared to the rest of the Oriental world that the West was not so all-powerful as had usually been supposed, and that the example of Japan might perhaps be followed with a like success. At all events, Japan's decisive victory had its repercussion and was undoubtedly the prelude to much that has since happened throughout the East.

After the setback received at the hands of the Japanese, Russia modified her policy in Manchuria, mainly due to developments in Europe, and particularly in the Balkans, where German activities had for some time excited her suspicions. There was then a reversal of Russian policy with regard to Manchuria, which showed a desire to coöperate with Japan

in dual development of the country, and two conventions were concluded to that end in 1907 and 1910.

In 1912 came the revolution in China and the fall of the imperial Manchu dynasty, a chapter of Chinese history closing with the advent of the republic and accession to power of Yuan Shi Kai. The Manchu emperors had held the scepter, and wielded the famous vermilion pencil in the drafting and approval of edicts from the throne, since 1644, and were responsible for many of the brilliant episodes, as well as some of the dark ones, in the story of the nation.

The revolution was primarily the outcome of discontent with the rule of the Son of Heaven; the celestial mandate, which the Chinese claim to have been handed down, had, with the advance of time and introduction of the modern way, failed in its purpose, no effort had been made to keep abreast of the times, and it had long outlived its welcome. Yet there was no satisfactory alternative, least of all in a republic, which Yuan Shi Kai admitted was not suited to the Chinese temperament. His aim was to retain the monarchy on strictly constitutional lines. He knew that 80 per cent of the people had been accustomed from time immemorial, long prior to the Christian era, to look to one individual as the personification of the state, and they were aghast at the introduction of a new administrative and governmental machinery.

Yuan Shi Kai introduced his constitutional régime

and began to pave the way for his own elevation to the throne, a course that was to prove his undoing. Political opponents sprang up whom he ruthlessly removed; very soon China was being governed by terrorist methods, life throughout the country assumed an abnormal aspect, the republic was a fiction of representative government, and civil war became rife.

Events were marching apace; no sooner had the republic come in than Mongolia, an ancient dependency of China, threw off the Celestial yoke and declared its independence. This step had long been in the making, for the Mongols were dissatisfied with Chinese rule which jeopardized the supremacy of the Mongol feudal lords and their medieval rights, coupled with the alarming influx of Chinese settlers who threatened by their encroachments to displace the Mongols, essentially a race of horsemen and riders of the plains rather than agriculturists.

A nationalist movement set in, fostered by Russia, which aimed at checking the northward movement of the Chinese. Torn by internal dissension, with the entire country in the melting-pot, the Chinese were compelled to withdraw from Mongolia, and to acquiesce in the independent government formed there.

Still further disasters were in the offing. Tibet, always antagonistic to the Chinese and desirous of keeping aloof from the world beyond, broke out into open revolt and drove the Chinese from the country, celebrating their triumph by concluding an agreement with Mongolia, with whom they were in re-

ligious sympathy, for both were followers of Lamaism, the perverted form of Buddhism.

We now come to the Great War and the focusing of international interests on the European scene. The collapse of Russia in 1917 and the subsequent Bolshevik régime brought about chaotic conditions in the Far East which we must now recount. The country to the east of Omsk was overrun with prisoners of war taken by the Russians and incarcerated in Asiatic Russia and Siberia.

When the Bolsheviks seized power the Red army was partly composed of these prisoners, and although originally numbering over one hundred thousand, they had, through typhus, scurvy, and various diseases, been reduced to approximately 38,000.

These prisoners of war presented a curious aspect to the situation; they were there by force of circumstances and not by design, and in the main were friendly to the Allies and China. The majority were afterwards utilized as the nucleus of the anti-Bolshevik forces in Siberia and the Far East, as well as to cover their own retirement on Vladivostok, and prevent the munition supplies at that port from reaching Soviet hands.

Large numbers, composed of both prisoners of war and refugees, poured into Manchuria from Russia and Siberia, adding to the general confusion and forming an unruly element which surpassed anything known in the days of the Californian or Klondike gold rushes.

During the period of confusion and chaos that had supervened the Chinese took advantage of the opportunity to seize part of the Chinese Eastern Railway, ostensibly with the object of restoring order and giving protection to aliens and natives alike. This was late in 1917, and shortly afterwards fresh contingents arrived of Hungarian, Czech, and Austrian prisoners of war, released by the Bolsheviks, but with no facilities for returning to their own countries, a wild and undisciplined mob, acting much as they felt inclined. So serious did the situation created by the release of these war prisoners and their movements become, that it was determined to rescue them by international effort. It was considered highly undesirable to allow them to overrun Manchuria, which they would certainly have done had not timely steps been taken.

It was now 1919, and the Bolsheviks were pressing hard towards Siberia where they were fighting with the antagonistic Siberian and Far Eastern elements. A provisional government, of moderate and anti-Soviet tendency, had been set up under Kolchak with headquarters at Omsk, but they were violent in their methods and added still further to the reign of terror. Moreover, none of these governments was recognized by the Allies, their military plans were upset by a lack of strength as well as by want of Allied support, and when retreat set in, and confidence was lost, the armies became demoralized and disorder was widespread.

After the débâcle and the definite success of the

Bolsheviks, numbers of new refugees poured into Manchuria, some of them in semi-organized bands under the leadership of officers who often acted in a high-handed manner and increased the feeling of insecurity.

One of these generals, a personal friend of the authors, camped outside a town on his arrival from Siberian territory, but beyond some slight indiscriminate requisitioning by his mixed force of Hunhutzu, or brigands, a Manchurian word meaning "red beard," his force abstained from any overt acts of robbery or violence. Our friend was a buccaneer of the old Spanish Main type, a man who brooked no interference with his designs, and rode rough-shod over all opposition. When he moved on to another town the Chinese closed the gates against his arrival, hoping that, under the circumstances, he would depart in peace. They little knew the Russian and his way of dealing with difficulties. Finding the gates bolted and barred, and no means of gaining access to the town within, except by the process of climbing the lofty walls, a proceeding incompatible with dignity and safety, he promptly blew in the offending gateway with his two field guns.

Another of these Russian generals hanged workmen to get rid of Bolshevism, and shot all who failed to answer his call to arms. The Cossack, Semenoff, was no better, and afterwards acted independently on the Manchurian border, where he was reputed to be in the pay of the Japanese.

The successes of the Bolsheviks, and collapse of all opposition, alarmed the Japanese more than it did the Allies in Europe, but the strongest representations came from the Russians in Manchuria who appealed for Allied help. Finally an international expedition, composed of British, American, French, and Japanese, landed at Vladivostok, and the neighboring territory in Siberia was placed under military control, whilst an inter-Allied committee was formed to restore order on the railways running through Manchuria.

Early in 1920, when matters were to some extent normal, the Americans withdrew their contingent, being of opinion that the original object of the expedition was now fulfilled; the other allied Powers, with the exception of Japan, followed suit shortly afterwards.

Then came the formation of the Far Eastern Republic, a branch of the Moscow Soviet, with headquarters at Chita, exercising jurisdiction over Eastern Siberia and the country to the north of Manchuria.

The creation of the new republic at Verkne Udinsk on April 6, 1920, was an event of far-reaching importance. It was apparently intended as a buffer state between Russia and Japan, but at the outset its career was a stormy one, although formal recognition was accorded by both Moscow and Japan. Later on in the year the Japanese effected a somewhat reluctant evacuation of Siberia, as the Allies had already done, and Chita was declared the capital of

the united provinces of Trans-Baikal, the Amur, and the maritime province of Manchuria.

There was constant friction between the new republic and Japan, and the Japanese cannot be absolved from the charge of creating certain difficulties and troubles. In March 1921 they announced their intention of reoccupying Nikolaevsk and Sakhalin, in Siberia, stating that they did so in Allied interests and on their behalf, which step evoked a vigorous denial from the United States.

The situation was becoming increasingly difficult and complicated when the Washington Conference was called in 1921, at which Japan endeavored to secure the approval of the Powers to her position in Siberia, and the Shantung province of China, but world opinion was against the Japanese and desired their withdrawal.

Other conferences and discussions as between the Japanese and Russian Soviet followed, but were productive of no tangible results.

Pursuing our review in chronological sequence we must now refer to a so-called Congress of the Mongol peoples held in 1922 at Urga, the capital of Eastern Mongolia, and the residence of the Hutuktu, or Living Buddha. There it was agreed that Soviet and Mongol policy should coincide, and deference be paid to China by a clause in the treaty formulated that Outer Mongolia should be an integral part of the Chinese republic.

We have spoken elsewhere of the Russian efforts in

Mongolia and the campaign in progress there; this was so far successful that by 1925 Outer Mongolia was virtually part and parcel of Soviet Russia.

Despite a treaty of May 1924 between Russia and China the vexed question of definite control of the Chinese Eastern Railway remained unsettled. Negotiations between the Soviet and China resulted in a recognition that "the railway was a purely commercial enterprise, that China was entitled to redeem the railway with Chinese capital, the future of the line to be determined by the two Governments to the exclusion of any third party." These events had followed on the Japanese withdrawal of their forces to their own immediate sphere of influence in southern Manchuria, the Chinese Eastern Railway being left to the mercy of the Chinese and the changing war lords. Under this new Treaty, the Chinese shared equally with the Soviet in railways profits, and were given control of the railway zone, which, in the meantime, had been populated largely by Russians and others of the white races. It was also agreed that both Soviet and China should abstain from any form of propaganda against each other.

The most far-reaching clause in the new agreement, and one that directly affects Europe and America, was the abandonment by Russia of her extra-territorial privileges in China, which she had enjoyed since 1689. This will be referred to in the chapter dealing with the problem of extra-territoriality.

The Japanese were not so interested in the above line as in their own special position in Manchuria generally, and she managed to effect a treaty with the Soviet in 1925 under which the Japanese status in Manchuria was to be on the basis established by the Treaty of Portsmouth after the Russo-Japanese War in 1905. The Soviet was, of course, anxious for recognition wherever possible and so accepted demands and made sacrifices which would doubtless in other circumstances have been rejected.

The year 1925 is a landmark in Manchurian and Far Eastern history for in it the Nine-Power Treaty became operative, by which the signatories bound themselves to respect Chinese sovereignty, independence, and territorial integrity.

The next two years in China are a record of civil war and internecine strife, without much effect upon the outside world, yet of international significance for they marked the passing of Peking as the center of Chinese political power and authority. Anarchy and disorder increased, China became the prey of rival war lords all hungering for power and loot, Moscow was watching its opportunity and spreading Communist propaganda wherever possible, until attacks on the British concessions demanded prompt action. This culminated in the dispatch of an armed force to Shanghai in 1927 which did much to restore confidence and order.

We now come to the era of Chang-Tso-Lin, the

redoubtable Manchurian war lord who was so dramatic a figure until his death in 1928.

Chang-Tso-Lin had qualified for his position in the school of brigandage, and rose to great distinction in the military profession, a rarity in China where the profession of arms is regarded with contempt, in accordance with the ancient teachings of the people, who consider that reason and argument must come before force.

Under Chang-Tso-Lin Manchuria enjoyed better government than any other part of China; it was lucky in being under the control of one war lord, rather than the happy hunting ground of a score of rivals. Chang was statesman as well as soldier, his financial policy was beneficial, officials received their salaries—a most unusual proceeding—banks were solvent, and trade was reviving. A general era of prosperity seemed to be dawning, and the world in China, and even that in remote Europe, began to ask itself if, after all, the great genius had arisen who was to restore law and order, and bring China from the welter of anarchy and chaos to the position of a rising nation.

It would serve no useful purpose, and merely tend to weary the reader, to include here a recital of the rise and fall of fortunes, of the coming and going of rival parties, of the intrigue and conspiracy that have darkened Manchurian history within the past five years.

Chang-Tso-Lin's retreat from Peking, his son's

succession to the leadership, the Chino-Russian dispute over the Chinese Eastern Railway, and other disturbances occurred, but without any lasting effect on the situation in Manchuria. The outstanding event in the north was the entry of Marshal Chang-Tso-Lin into Peking with his Manchurian army in December 1926, where he established a military government, while still holding the governor-generalship of Manchuria. Chang at once became the *de facto* ruler in North China and Manchuria, and a ding-dong fight ensued for supremacy between the various rivals, until Chang was facing the combined forces of General Chiang Kai Shek and Generals Yen and Feng, together known as the Kuomintang or Nationalist Army. Chang was hard pressed, and not wishing to risk a battle for the possession of Peking, retreated to Mukden on June 2, 1928, after having held Peking for eighteen months.

Japan had warned the opposing sides that should the fighting disturb the peace of Manchuria, or the defeated troops and those in pursuit threaten the security of the country, steps might have to be taken to preserve peace and order, and to prevent Manchuria from being involved in the civil war. The warning had its effect and Manchuria escaped from serious disturbance.

In pursuance of his decision to retreat Chang-Tso-Lin left Peking by train, and on the night of June 4 as he was about to enter Mukden a violent explosion occurred, Chang's saloon was wrecked, the famous

marshal being so severely injured that he died from his injuries, his son Chang Hsueh-liang being elected to reign in his stead.

Soon after the latter's accession a compromise between him and the Nanking Government was effected, under which Chang recognized the authority of Nanking, but was given autonomy in local affairs. At the same time the Nanking party, after the capture of Peking, changed its name from Peking (northern capital) to Peiping (northern peace), so as to destroy the tradition of its having been a capital.

This ended another period of strife between north and south, and the relations between the Manchurian government of Marshal Chang and that at Nanking gradually became more satisfactory.

Formal recognition of the new order was given by the hoisting of the nationalist flag at Mukden in December 1928.

The moment was now favorable to evolve plans for the unification of China, but although two conferences dealing with economic affairs and the disbandment of the military forces were held, petty jealousies and rivalry amongst the war lords gained the day, and another opportunity to create a unified China was lost. The many war lords were alarmed at the reduction in their power, and the hungering desire for wealth and power brought on a further succession of civil wars.

There was, however, a brief lull early in 1929, and

no political or military issues disturbed the Manchurian atmosphere until May of that year, when the Chinese after alleged provocation raided the Soviet Consulate at Harbin and imprisoned a number of Soviet officials. This called forth a vigorous protest from Moscow, but in July the Chinese still further aggravated the situation by arresting the Russian general manager of the Chinese Eastern Railway, and others, besides closing all Soviet commercial organizations in and around Harbin.

It was asserted that Chinese troops were massing on the Soviet frontier, so Moscow dispatched a peremptory ultimatum to the Chinese on July 13, stating that their action represented an obvious and gross violation of the clear and unequivocal clauses of the several agreements concluded between the Soviet and China, and suggesting a conference to regulate the questions affecting the Chinese Eastern line.

The Soviet demanded the immediate release of all Soviet citizens, the canceling of orders regarding the railway, and the cessation of arbitrary measures directed against Soviet nationals and institutions. A time limit of three days was fixed for compliance, after which the Soviet would take such steps as it deemed necessary in support of its interests.

In the main the Chinese complied with the demands of Moscow, and negotiations were initiated for the adjustment of differences, Britain, America, France, and Japan joining in a combined effort at mediation

with a view to settlement by peaceful parley rather than resort to arms.

The Chinese were disinclined to accept the full Soviet terms, but finally in December 1929 an agreement was arrived at with the National government at Nanking by which the *status quo* of the Chinese Eastern Railway and Soviet rights and privileges therein were restored.

In China proper, however, peace was still far from realization, and hope of national unity became more remote.

Clique after clique revolted, resentment one against another, differences between this war lord and that, disappointment at the shares allotted amongst them, bribery, corruption, and intrigue, all had full play, until a fight ensued amongst the wolves. Sixty generals, each concentrating solely on his own personal gain, were engaged in a medley of intrigue, accusing one another of self-interest, issuing blast and counter-blast, each at the same time ordering the extermination of the traitor.

Finally, General Yen set himself up as the paramount authority, and war of a more direct nature ensued between him and Nanking, each side making great efforts to secure the support of Marshal Chang Hsueh-liang, who, however, maintained a strict neutrality.

A confused series of fighting followed, until the Nanking Government gained the upper hand, and in agreement, temporary at any rate, with Marshal

Chang, eulogized the latter for his action in the cause of peace and unification.

Marshal Chang Hsueh-liang, the "Young Marshal," settled down in the kingdom he had inherited from his father. His pact with Nanking saved Manchuria from the bitter strife prevalent elsewhere, and the richest undeveloped region of the Celestial dominions, with the highest *per capita* trade, enjoyed a period of comparative peace and quiet, until the Chino-Japanese difficulties came to a head.

The "Young Marshal" has been brought up in a military atmosphere, he has first-hand knowledge of the country and its people, and possesses attributes and has evolved ideas favorable to the creation of a prosperous state. His tastes are decidedly Western; a good tennis player, he rides well on the race course and over the jumps, is an uncommonly good dancer, and plays an exceptional game at golf.

Chang Hsueh-liang is an attractive conversationalist, can converse in English on most topics, and, apart from his general interests and desire to introduce Western ideas into his country, has a breadth of vision unusual in the Oriental.

We shall see in a subsequent chapter how Chang Hsueh-liang retired from Manchuria with his forces to the southern side of the Great Wall, leaving the country at the end of 1931 in the virtual occupation of Japan.

CHAPTER II

THE ERA OF CHANGE

WE referred to Manchuria as a country of strange incongruities with a veneer of Western civilization. To the average Anglo-American the country is simply a name. Accustomed as he is to the benefits of civilization, with all the comforts and calmness arising from good order, he finds it difficult to realize conditions that are entirely different.

Nothing in the dramatic history of Manchuria is more significant than the struggle now taking place for possession, in which, as already remarked, great issues with direct influence on the rest of the world are involved.

From Manchuria and the adjacent land of Mongolia, the land of the Living Buddha, the Mongol hordes in the twelfth and thirteenth centuries set out to conquer Asia, and in the process they subdued half Europe, penetrating as far as the Adriatic Sea and the western borders of Hungary. They would have advanced much further but for the death of their leader, which necessitated a return to their base in far Mongolia.

From Manchuria also came the restless Manchus, contemporary with Charles I of England, whom the

Chinese thought to keep out by the Great Wall which they had erected fourteen hundred years before. But the Manchus were not to be deterred by anything so trifling as a wall, although it might be the greatest the world has ever seen and the only thing on earth that astronomers tell us could be seen from the moon. They scaled the wall and occupied Peking, founding the Manchu dynasty in 1644, which lasted until the collapse of the empire in 1911.

Twelve centuries before the Manchus descended on Peking, they had equipped a vast armada of Chinese junks, with high stern and low bows, sailing across uncharted seas to find a new world in Japan. They carried furs with them, for Manchuria is a country second to none in tiger, sable, fox, and ermine, and in return they brought back silks and brocaded goods for which Japan was famous even in those remote days.

When Marco Polo crossed Asia to visit the court of Kublai Khan, the Mongol emperor, in the thirteenth century, the Mongols were then at the zenith of their power and fame; they had created an empire stretching from the shores of the Yellow Sea to the Danube, but not satisfied with these conquests, equipped a fleet of eleven hundred vessels to sail against the Japanese. On the way a great storm came up, the entire armada was wrecked, and the largest naval expedition in mediæval history ended in disaster.

We have seen how Manchuria became the scene of a scramble amongst the Powers on the spot, and its

subsequent career down to the present time. Even in the midst of the existing anarchy Manchuria is a land of plenty, for it is not only a granary of the East, but has immense coal deposits, and is rich in gold and silver. There are, too, forests of pine, oak, elm, and walnut, and resources in timber that rival the American West.

Its varied crops give valuable yields; tobacco, fruit, vegetables, and above all wheat and other grains, for, contrary to the widely-held belief, millions of Chinese live not on rice but on wheat.

In a hundred ways the world has depended on Manchuria without always realizing it. We will, therefore, give a brief account of the people, their manners and customs, and the industries and resources of the country before going on to examine present problems.

The Manchus who originally conquered China in 1644 formed part of the Tartar race, allied to the Mongols, who were welded into one great fighting people by Nurhachu, Mongola Napoleon, of quite humble descent, whose father owned a few small villages which were formed into one state and called Manchu. Nurhachu extended this, accounted for the neighboring chiefs who were rivals, and gradually cleared the way for a more or less undisturbed rule. He was a statesman as well as a soldier, his laws were few but they were swift in application, and his people secured much better justice than they had hitherto known. In consequence he gathered to his standard

an enormous number of adherents, and so definitely put Manchuria upon the map.

Of the Manchus there are probably not more than one million, and only five or six per cent of the people now speak the Manchu language; Chinese has long since taken its place. The Manchus are uncommon objects in their own country, and where found they dress similarly to the Chinese. A few are left far up in the mountains, remote fastnesses where they eke out a scanty existence by fishing and hunting, in addition to some cultivation of the ground.

The average dwelling of the farmer and the colonist, who form the bulk of the population and are the backbone of Manchuria, usually consists of a couple of rooms with a hall in the center. The hall is the kitchen, and along the sides of each room is a raised platform two or three feet high. It is of mud caked hard, and spread with matting and furs. This platform, known as the kang, is hollow, and heated by a flue from the kitchen stove. It is the Chinese equivalent of central heating, and on the platform the inmates sleep at night.

There may be as many as a dozen or more people to accommodate in these small farmhouses; there is a distinct note of discomfort, but the crowding is only one of numerous economies practiced daily in a Manchurian household.

There is no waste; the struggle for existence is too acute, and a concentrated individual economy in fuel, food, clothing, and space is the ruling characteristic

of the Manchurian agriculturist. They also make use of every minute of daylight, laying up stores of food against a possible famine, for a bad season means much to families that have only enough to carry them on from season to season. Yet withal they are extraordinarily cheerful, endowed with exceptional physical endurance, and supported throughout their life and being by a profound moral philosophy which the Westerner has never yet been able to fathom.

The Manchurians, in common with all Chinese, work as it were in partnership with nature, liking and understanding the land they cultivate, never concerning themselves with politics, yet stanch believers in true democracy.

They never admit to any inferiority to other races, regard themselves, rightly or wrongly, as the salt of the earth, and content in their surroundings make a practice of self-denial and derive the greatest pleasure from work well and truly done.

Conservative as they are, knowledge is quickly acquired, and they can adapt themselves to any position. They may be superstitious and credulous as children, their face and clothing strange, and entirely without ambition as we understand the term, yet in the shortest time they will drive a motor-car or work a mechanical piano better than the average skilled mechanic.

Climate seems to have no effect upon the immigrant; he may arrive from Fukien in the far south, but from wherever he hails he takes to the new life

and surroundings as though to the manner born. His temperament is such that he settles down philosophically in his new home, and no matter how uncongenial it may be he is happy and contented. Obviously the Chinese settler, and indeed all Celestials, is the man of the world, for nothing comes amiss to him, and he goes merrily on, drawing on his store of geniality, self-sacrifice, and optimism, which his ancestry has bequeathed to him in a measure that no other race can boast of.

If Manchuria can support a population greater to the square mile than that of the most densely crowded country in Europe, it will be due to the yield of agriculture being much higher, coupled with capacity for work and a passion for getting the most out of the land.

The vast majority of the population to-day is Chinese, the construction of the railways having brought an influx that since 1925 has totaled about one million five hundred thousand annually. This immigration, which is the main aspect in the transition of Manchuria, arose partly from the anarchy and chaos prevailing elsewhere, the incessant civil war, and the numberless factions fighting for power and loot in the twenty-two provinces of China.

Nearly all these provinces are bandit-ridden and infested with discharged soldiery, who have no occupation and wander about the country in bands killing and pillaging. As opportunity offers they take service with any war lord who is able at the moment

to give them a certain livelihood, and sides are changed with startling rapidity.

This has resulted in the population migrating from the more disturbed areas to less stricken districts, and Manchuria has received most of this wave. In the present year—1932—there are possibly thirty-five million settlers, and the stream of new arrivals goes on increasing.

In the days before the fall of the Chinese monarchy (1911) the imperial authorities strongly discouraged any emigration north of the Great Wall; age-old conservatism decreed the land to the north of that structure to be dangerous and a bad land, and so until the coming of the railways it remained unexploited. Now the Chinese are making up for lost time.

In the early spring the tide of immigration sets in; men, women, and children, entire families, join the march to the promised land, carrying all their goods and chattels with them, tramping on with the fatalistic energy and patience peculiar to the Chinese people. Often the stream of immigrants reminds one of the retreat from Belgium and France during the war; all kinds of people, high and low, carrying household goods, pots, pans, and clothing, halting occasionally for rest and food, and then on again to the goal.

Many of the immigrants enter the promised land by the Peking-Mukden Railway, built largely by British finance; they crowd into open cars, packed

like sardines, but contented and cheerful withal. Some come by Japanese steamers from Tsingtao to Dairen, and although the fare is only one dollar per head the steamboat owners make large profits, for there are no laws as to overloading, and tiny steamers will carry as many as eighteen hundred or two thousand people, massed as closely as in a London crowd.

In 1931 about two millions came in from China, spreading out over the farmlands in this fertile corner of northeast Asia.

Of all nations in the world the Chinese is the most conservative; China does not change, and while she is sometimes ready to accept the purely mechanical gifts of the West, when it comes to ideas she prefers her own. As an illustration of this a certain Manchurian war lord left instructions that his expensive limousine car complete with stuffed chauffeur and footman should be burned at his funeral, so that they might be ready for him on the other side. Neither he nor the chauffeur, who knew all about magnetos and big ends, could see anything ridiculous in the idea. It was merely in accordance with Chinese belief that adequate arrangements must be made for those passing to the next world.

On a first visit to Manchuria Western visitors are surprised to find cities, factories, and motor-cars, and they are apt to imagine China has become Western and modernized. Nothing could be further from the truth. All that we mean by civilization sits as uneasily on China as a coster's feather hat on a Mayfair

dowager. China has taken certain ideas and articles from the West, but they make no real difference to her; they are just tacked on.

Large cities like Harbin and Mukden may have factories, fine buildings, and motor-buses, their keen business men of many nations, and all the bustle of industry, but immediately outside this influence everything is different.

Roads are practically nonexistent, and vehicles of the most primitive type journey over the roughest tracks. Here the mule or the camel does the work of the train and motor-lorry, and the coolie, using his back, will cheerfully compete with a motor-van in the carriage of everything from a bag of coal to a piano.

In the summer the tracks are full of ruts and covered with a fine powdery dust; in the winter they are frozen hard, the season when they are most passable. This lack of good roads, and the necessary bridges to cross the numerous rivers, impedes the import of material for trucks and mechanical transport.

The contrast of the old and the new, both in transport and in the mode of life, is striking. Throughout Manchuria you are just as likely to run into a bandit as into a hard-working peasant. The transcontinental train that travels with all its luxury and speed from Moscow across Russia and Siberia will journey in its transit of Manchuria alongside of men

who are pushing barrows fitted with sails just as they were in the days before Confucius.

The lines were driven through the land and have been constantly added to, until the time has come when Manchuria can show more railway construction than any country in the world.

In our endeavor to present a picture of Manchuria of to-day, we must draw attention first to the system of administration, and then to its latent wealth and resources, and how the latter can be utilized and developed. So far as the administration is concerned this was originally conducted on a military basis, but there is now a mixture of civil and military with the latter element predominating.[1]

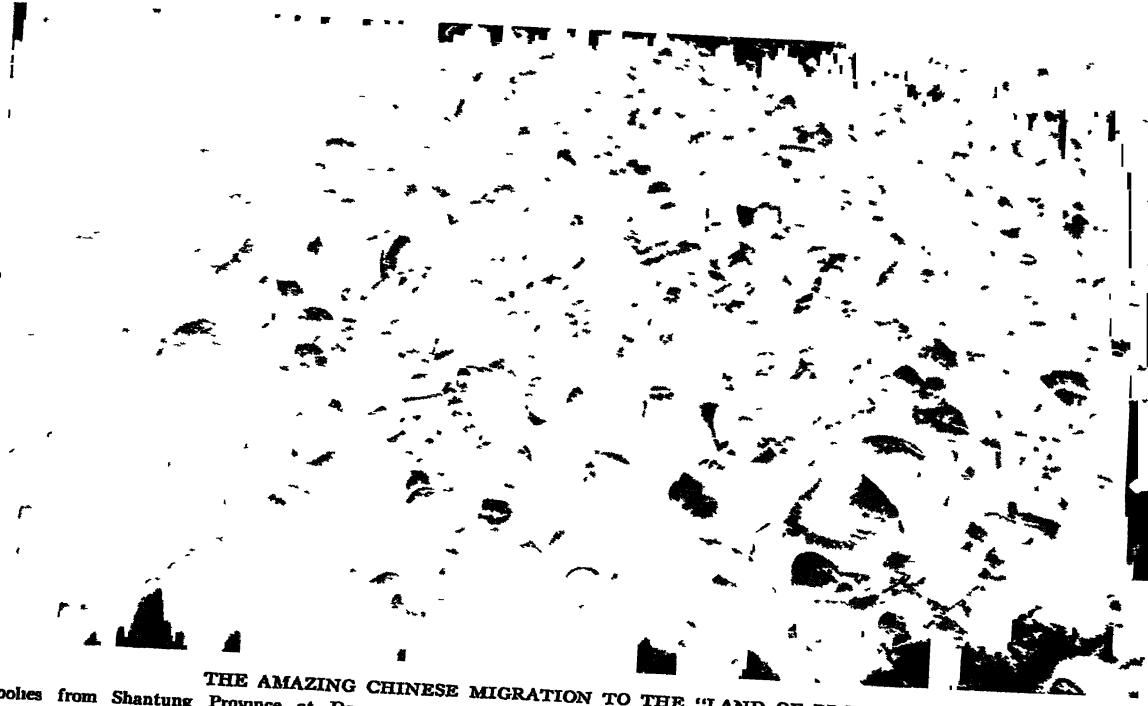
Each of the three provinces, Kirin, Fengtien, and Heilungkiang, was divided into prefectures, presided over by a Taoyin; under him were minor officials for the various parts of the civil machine. These men constituted the general administrative body of the provincial service. But there is also a form of government for the people by the people, established in each village and dictated solely by immemorial custom. The village elects a headman, who fulfills the duties of magistrate, arbitrator. assessor of taxes, judge and jury. He is responsible to the district officer for any decisions of an important character, but beyond this enjoys supreme power within his own village limits.

[1] These details refer to the Chinese administrations which exercised control before the Japanese occupation Whether the same system will be retained under any settlement is uncertain.

Then there are the local guilds playing a vital part in the everyday life of the worker. These guilds wield an incalculable power in internal and external Chinese politics, and wage war against all their enemies. As a rule the people dislike discussing these guilds, even with one of their own race, for they are regarded with an awe equaling the respect which every good follower of Confucius has for those who govern him, even for the war lords who preside over the destinies of the people and come and go with kaleidoscopic rapidity.

In Manchuria the guilds are clans rather than political bodies, the guiding principle being to help their own members much in the same way as our British friendly societies of former days. In the towns and villages there are no laws governing the conditions of labor in industry, and members of a guild therefore give mutual aid in acts of industrial aggression, while those who fall on evil times or are unemployed, receive benefit to the extent of about one-half their usual earnings. The guilds also provide for the families of deceased members in distress. These activities, which may be described as the peacetime work of the guilds, fulfill a necessary function in the daily life of the Manchurian. Side by side with the care of their members the guilds often pursue other activities, accounting for the fear in which they are held.

If any man falls foul of a guild he must beware; should the cause of dispute be a charge of snaring



THE AMAZING CHINESE MIGRATION TO THE "LAND OF PROMISE"

Coolies from Shantung Province at Dairen awaiting transport into the interior, where they will find work on the land

game in a wood, regarded as the preserve of another village with its own particular guild, or cheating a guild member and flying from the country, the feud begins and does not end until the offender has been punished.

A blood feud, such as we have amongst the tribes along the northwest frontier of India, may last for a generation; they are a law unto themselves, and often surpass in ruthlessness the vendettas of the Italians. One such feud originated in the right of one guild to fish in the river looked upon as the property of a neighboring village. A villager cast his line into the waters belonging to the rival clan, and a feud began which lasted for several years.

It is the aim of a guild to secure the support of every man in the village, town, or trade, and if one joins a guild in a village or town outside the place in which he lives there is trouble, which may lead to untimely demise.

The fact that these guilds have existed from time immemorial probably accounts for the respect in which they are held, and the hold they have on the people.

Amongst the best known is the Builders' Guild, founded by an early emperor, under whom it was said furniture was first made.

Before being admitted to a guild a man must have served an apprenticeship to the trade he desires to take up. Once enrolled he must coöperate with every member, openly and in secret, for the good of the

guild, which matters to him more than the welfare of his town or village, or even of China itself.

Having become a member he does not contemplate resignation. A man may be a resident of Harbin, Tsitsihar, or a remote village up in the hills, which he might leave to settle in some other part of China, or even to venture abroad to the Pacific Coast of America. None the less he is still a member of the guild, and instructions may be sent across the seas to him.

More than one unsolved crime in sundry "China" towns abroad could be traced, were the facts but known, to the flight of an erring member of a guild to the fancied security of an American or European city.

Each guild possesses a distinctive emblem more or less sanctified by its adherents, and which, when carried upon them, ensures assistance by a brother member in time of need. Thus the emblem of the builders of bamboo scaffolding, a special trade, is a spider, for the latter spins a web that resembles scaffolding. The spider is a passport which will produce assistance from any member of the guild, or from any other guild with which it may be allied.

The blacksmiths have the spark, for from it emanates fire, and from fire the energy which makes their work possible. The sampan, or junk men, who trade on the Yalu, Liao, and other waterways of Manchuria, have the bamboo for their guild emblem, for the reason that it never sinks. The farmers hold the

swallow in veneration, and they tell us that this graceful bird knows all about the weather and indicates the prospects of the crops.

With the rise of new forces in Manchuria, the proximity to Soviet institutions and influence, and to some extent the supplanting of the guilds by modern labor unions organized on Communist principles, the power of the old guilds will probably decline. Already the march of events is robbing them of their significance, except in local matters.

China is gradually being educated, although this education affects only two or three per cent of the entire population, but with its spread antagonism between the guilds and this new enlightenment must appear. The new China will resent the power of the guilds, but the abolition of these institutions will not be easily accomplished, since Manchuria, like all China, is the land of old custom, and the people cling to their beliefs with extraordinary tenacity.

The first appearance of trains was regarded with hostility, for they interfered violently with the life to which the inhabitants were accustomed. They clashed with age-old customs, and these "smoking devils" were not wanted. They would, too, disturb the long sleep of the ancestors, and whenever an opportunity occurred construction trains were seized and buried in holes by the irate natives.

Once more it was the compelling push of the West that fell foul of ancestor worship, an extreme form of filial piety which is the basis of Chinese morality.

The spirits that pass from this world to the next must be given every comfort and attention, food and clothing, money and transport, must be provided for their use, and they must not be disturbed by anything that is not in accordance with custom and religion.

The Chinese believe that whatever happens to us in the way of illness or death, or any calamity through life, is brought about by neglect of the spirits. They have a saying that the most important thing in life is to be buried well and remain so.

Tremendous forces are, of course, at work in Manchuria, and the ceaseless tide of immigration must inevitably alter to some extent the course of life and habits of the race. Over a large part of the country, however, even the mechanical gifts of civilization are scorned. People insist that if wide highways were built, motor and cart traffic would throw the coolies and porters out of work. The traveler from the West who has seen strings of these skeleton-thin men with dark scars on their shoulders, where innumerable pack ropes have cut into the flesh, might feel inclined to welcome the abolition of their toil, but the Chinese sees nothing degrading in it. He has no objection to using his countryman as a beast of burden, and steps into a rickshaw or piles his luggage on a coolie's back as cheerfully as if the man were a mule.

Nevertheless, so far as Manchuria is concerned, the railway has won, and has already ushered in a peace-

ful revolution from which there can be no turning back.

A feature of Manchuria is the romantic and highwaymen element, furnished by the Hunhutza, "red beards," an interesting race of mounted bandits who rivaled the far-famed legendary Cossacks.

Banditry and piracy in Manchuria, and along its coasts, have been common from the earliest times, and both have defied the best efforts of the Chinese to stamp out the evil. Whatever the historical origin of Manchurian bandits may be, they are now composed mainly of discharged soldiery; many of these have served in the various forces of provincial war lords and governors, and when the particular side to which they profess momentary allegiance failed to pay a portion, at any rate, of their wages, they passed on to the next, and so found their way eventually to Manchuria. In their dealings with the rest of mankind, these wild characters think nothing of committing atrocities of a fiendish nature. They hold all and sundry to ransom, and lop off an ear or a finger for dispatch to the relatives, or finally, if nothing is forthcoming, slay prisoners without further ado.

Roaming the country in bands they issue from their mountain fastnesses to swoop down on villages and caravans, and disappear with the loot before the hue and cry. Officials are often captured and only released when ransom is forthcoming, which usually takes the shape of so much gold dust.

The bandit groups have an intelligence service

which tells them of the movement of treasure and valuable convoys, and smash-and-grab raids are as frequent in Manchurian towns as they are in London. So extensive is this highway robbery that insurance companies exist for the sole purpose of insuring against loss or outrage during the transit of people and goods from one point to another. If you are traveling from Mukden to an outlying town perhaps a hundred miles away, and it necessitates passing through a dangerous area, you are supplied with a small flag which must be placed in a conspicuous position on your cart and with you travels an escort of half a dozen men. This insignificant force is obviously incapable of putting up any serious resistance, but they are there only for effect, the insurance company having to pay blackmail to the brigands who then allow the passage of the traveler.

The Japanese are kept busy hunting down these brigands, a difficult proposition, for these highwaymen regard their occupation as an honorable and traditional right, and parents enter their children for the ranks of the "Hunhutza" as we might send our sons to Sandhurst or West Point.

In the past, and even at the present time, the Chinese find it convenient to enter into negotiations with the brigands, utilizing them for action against the Japanese, as well as for the suppression of local trouble. While the Russians were opening up Manchuria along the railway they often enlisted the services of these bandits, and when wealth and trade

increased through economic development it was an incentive to further activity on their part. They receive drastic treatment from the Manchurian Chinese when caught. The prison system and modes of punishment in vogue are crude and much ingenuity is displayed in the invention of deterrents.

Here offenders are treated in an original manner; they are placed in an oblong box measuring about five feet by two and two feet in depth, the counterpart of a coffin, and there, chained and manacled, are left to pass weeks, some of them months, and not infrequently years if their constitution, always amazingly virile, is able to withstand it. They can neither stand up nor lie down, but must perforce assume a semicrouching posture, with the result that their limbs become shrunken and useless, and after a time they are nothing but shriveled wrecks from the constant and agonizing position to which they are subjected. They are taken out for a few minutes daily and food is passed to them through a small hole in the side of the box. For covering at night a thin worn blanket is given, this being exchanged in winter for a sheepskin coat, quite inadequate as bedclothes when the thermometer drops to forty and fifty degrees below zero. Indeed, how a bandit survives the torture of this coffin, the disgusting food, and the unspeakable filth is beyond one.

In law as in most other matters Chinese principle and practice are the opposite of our own; for instance, a prisoner is considered guilty until he is

proved beyond all doubt to be innocent, and his trial before a court has for its main object the establishment of the charge of guilty and determining the punishment he shall undergo. This in itself shows the dangers confronting any one who may be subject to Chinese law.

Again, for any given offense responsibility must be fixed on some person or persons; whatever the facts may be, under duress, an act of God, or those over which the accused had no control, the onus of responsibility must be fixed, for none of the latter circumstances is recognized in Chinese law. The doctrine of responsibility throws a curious sidelight on Celestial psychology. The father as head of the family is responsible for their good behavior, a village, which is a little kingdom in itself, is liable in the person of the headman, the district magistrate must answer for the good conduct of the area committed to his charge, and so on up to the governor or head of a province.

This creed develops a counterinfluence, making detection of crime difficult. The magistrate in whose district a murder occurs has a black mark scored against him by the provincial government, and is consequently regarded with disfavor. What wonder there is shuffling, subterfuge, and a strong disinclination to follow up clews? This simple fact alone accounts for the difficulty in unraveling intricate cases.

Public opinion plays an important part in the Chinese official's discharge of his duties, for if he

ignores it by an excess of avarice it may react unfavorably upon him. To follow the line of least resistance three conditions must be observed, first of which is law and order, then the collection of taxes imposed in his district, and, lastly, the preservation of a spirit of contentment during the process of tax gathering. Provided questions do not arise out of his administration he is left alone, and can exploit his district so long as the above conditions are not violated.

Prior to the revolution of 1911 the system of local government was comparatively efficient, but the transfer from a monarchical to a republican form of government brought in a lower class of men who secure their positions by purchase and by ingratiating themselves with the local war lord or official temporarily in charge of the area. The standard of general capability and integrity has been lowered to such an extent that one could not truthfully say that there is any integrity, and most of the precautions formerly in vogue to obviate malfeasance have been entirely swept away. As an illustration, the term of office in any one post was limited to three years, but this often extends to seven and more. Further, no official could hold office in the province of his birth. By such means it was sought to guard against local interests growing up to compete with duty, and especially against territorial attachment which might become the basis of disloyalty. Obviously the system had serious drawbacks, for it is the absence of local

and territorial attachment that encourages some of the worst official abuses. Nor, in such a short term of office, is an official likely to interest himself in, much less to spend money on, a place which may know him no more during his career.

The vagueness, uncertainty, and barbarity of Chinese law justify the many objections to relinquishment of extra-territorial rights held by foreigners. Throughout China official and political corruption are rife, due to the extent of territory and the relative difficulty of control, multiplied by the time during which the custom of fraud and peculation has been growing. These would in themselves yield a product adequate to account for the magnitude and methodization of embezzlement. The root of the evil lies in the fact that officials are practically unpaid, their salaries being quite insufficient to satisfy even primary needs. They thus gain all they can for the least possible outlay, leaving their servants and dependents to follow suit.

From this simple beginning we can trace the whole system of fraud and peculation, assisted by the knowledge that many officials begin their career in debt, having been obliged to pay for their posts with money borrowed at high interest; in addition they must perforce make expensive presents in money and kind to their superiors, to avoid the danger of adverse report and dismissal. There are innumerable forms of corruption, and many stories could be told

of the wiles and stratagems of civil and military officers for acquiring wealth.

Colossal sums have been exacted from the people all over China during the past ten years, and from 1922-1925, almost a boom period, it is estimated that by illegal taxation, and every form of corruption, sufficient money was raised by predatory war lords to pay off the entire foreign monetary commitments of China.

The administration of a Chinese province possesses no system of accounts; officials never render any, and there is no machinery for checking them which would not itself need in turn to be checked. The taxes are farmed and monopolies granted, all of which are a stimulus to raise the largest possible surplus for the individual. No regard is paid to local improvements, or to objects tending to enhance the value of the district from an agricultural or economic standpoint. If an official is interested in an undertaking his sole object is to make it a paying thing for himself; his whole tenor and trend of mind would revolt at the idea of showing any regard for the rights and interests of others.

This is evidenced in the system of revenue and taxation which afford many interesting sidelights on Chinese rule. There are regulations fixing the amount of taxes leviable, but these have been so perverted by the methods of embezzlement, and the widespread opportunities offered by the prevailing anarchy and chaos all over the country, that one

cannot differentiate between the regular and the irregular tax, nor determine what part of the sum collected finds its way into the treasury.

Then again, no accurate evidence of the incidence of taxation can be formed, for, in addition to the illegal exactions going on, the taxes fixed in one district may in practice differ from those in another, and those levied by one official in any given area may be quite different from the ones imposed by his successor.

Apart from the general shaking of the pagoda tree, which is not confined to any particular class, one is often amazed at the effrontery of those who practice it.

Part of the revenue collected from the agricultural classes is taken in grain, and the taxpayer appears on specified dates with his quota of cereals, a fixed amount calculated on the area and productivity of the land. He will, however, be grievously disappointed if he thinks that by bringing that amount he is freed from further obligation. Ordinarily the scales give comparatively correct measure, but when it comes to an adjustment of the corn tax it is astonishing the amount that is required to induce them to obey the laws of gravity.

The Chinese are the ideal colonists for Manchuria; from the days of Noah, aided by a system of agriculture, they have supported a population of four hundred millions, through history far longer and more checkered than our own. The Chinese lives on his

small holding aided by climatic conditions and the fertility of the soil, with effective agricultural methods, extreme personal economy, and, in normal times, the small taxes levied by the state. A far-seeing emperor who celebrated the fiftieth year of his reign in 1711 made a statement which is typical of Chinese thought and perspicacity. "As the population of the empire increases the amount of land for cultivation does not increase; the land tax of this year should therefore be calculated on the census for that year and should not be increased."

So closely did they adhere to the dictum that in 1920 the revenue from the land tax showed the merest variation from the figures of 1711, this being probably accounted for by famine and distress of previous years.

The Manchurian Chinese is what one might term an intensive cultivator; not an inch of ground is wasted and nothing is left undone that may enhance the food crops. The tools are crude, and the methods are dictated by custom and tradition, but the soil is carefully worked, and the outstanding feature of agriculture as exemplified here is in the amount and sum of human labor expended upon it.

Speaking generally Manchuria is a blend of forest and meadow land, but as yet less than half the arable part has been plowed, and there are still immense areas available to settlers. It is estimated that the country is capable of supporting a population of upwards of one hundred millions, and when that num-

ber has been accommodated there are the grass lands of Mongolia to the west, which must in time be absorbed by either Chinese or Japanese settlers.

Millet, wheat, and beans are the principal crops of Manchuria. The soya bean is cultivated on a vast scale, yet it was only some twenty years ago that the world realized the value of it. To-day it is used everywhere for all kinds of purposes. As nourishment both for men and animals, as a fertilizer, and raw material for industry, it has created an agricultural record.[1]

Dalny, the new port originated by Russian imperial command, exports large quantities to Japan and elsewhere throughout the world. By the soya bean alone Manchuria could be self-supporting and supply the rest of the world besides. For the growth of this industry, and its development on scientific lines, the Chinese owe much to the Japanese, who brought in modern methods and by wise expenditure have built up the soya bean trade.

Manchuria, especially in the south, is a second California, the climate being favorable to the growth of fruit, and soon we may see canning factories established there and Manchurian produce dispatched to the four corners of the earth.

In several ways we have depended upon Manchuria without always realizing it; for instance, the women in Europe and America who wear beautiful-looking furs that are given high-sounding names, would

[1] See Chapter IV

doubtless be surprised that these furs once covered Manchurian dogs. Numbers of black and yellow mongrels are bred for this purpose, and, incidentally, it is usual for a Manchurian bride to be given several as a dowry. The raising of these dogs is an important industry, and there are large farms of the fur-bearing kind. The coats reach perfection during the winter, when the dogs are slain and skinned, and after sorting and curing go out into the Western world under various fashionable names.

It is curious to think that the smart furs one sees in London, Paris, and New York may have emanated from a Manchurian dog farm, the wearer never for one moment imagining it was a four-footed canine, and not a sable, mink, or a fox, who died that she might have an ultra-chic fur.

So far as America is concerned more furs are imported from China than any other part of the world, so that the supply must equal the demand, although not of the actual quality the purchaser believes.

There is nothing essential to life and industry that cannot be found in Manchuria; raw materials of every description, and coal deposits of unlimited extent. These coalfields were known to exist, but the Chinese always showed a strong disinclination to work them for fear of disturbing the spirits of the departed; they called the masses of black stone that covered the ground in the coal areas "the burning stones," and when it came to be used as a fuel, the imperial authorities in Peking issued orders that min-

ing for coal was forbidden out of consideration for the ancestors.

With the coming of the Russians mining started on a fairly large scale, and the Chinese eagerly took to the work. The development was carried out mainly with American material and advice, up-to-date machinery was imported, operations in the Mukden and Fushun coal areas yielding immense quantities of coal, and even with war and anarchy ruling supreme the output in 1931 totaled over seven million tons.

So extensive are these coalfields that reliable estimates give the deposits available in both North and South Manchuria at seventeen hundred million tons. In building up a great economic Manchuria the Japanese are taking full advantage of the coalfields; throughout the Liao Tung peninsula adjacent to the railway lines factories and plants have been installed for the iron, bean, oil, and a dozen other trades. As we shall show in a later chapter cement works, timber yards, shipbuilding, and all the evidence of economic life and ambition are in full swing, fostered at every step by the industrious Japanese.

Research stations and experimental farms are springing up, science has been introduced to help the farmer, cultivator, and miner, and the quest is unremitting for new materials and methods which will lead to, and assist in, sound commercial and agricultural enterprise.

Speaking generally, the best farm lands are found

in the north, millions of acres of virgin land are still open to settlement, and there is an attractive market for farm machinery in opening up these undeveloped lands.

We have remarked that, contrary to popular belief, millions of Chinese eat no rice, but depend entirely on millet and other cereals. Kaoliang, or millet, is the staple food of the native population, as well as the principal grain food of numerous animals engaged in farm and general work. For centuries the cultivated land of Manchuria has been devoted to the raising of this grain, and its production surpassed the celebrated Manchurian bean. The demand in the markets of the world for the bean, however, gradually displaced the kaoliang, and to-day only about 25 per cent of the land is given over to its cultivation.

The millet is a form of universal provider; it is not only food, but the stalks are used for fuel in districts where wood or coal is scarce or not immediately available. It comes in useful as thatch for roofing houses, for making mats, and the Manchurian brews beer from it.

Apart from cereals, other staple products of Manchuria are flax, tobacco, raw cotton, and silk. All are in a state of primary development, tobacco and cotton being the most promising, for the improvement of which the Japanese have set up an experimental farm on the South Manchurian Railway. The Japanese Government also provides farmers with to-

bacco and cotton seed, supervises the cultivation of tobacco and controls as far as possible its sale in the cities.

In all this work of development and steady progress credit must be given to the Japanese; amongst the Chinese methods of farming, as in every other industry, have changed very little during many centuries. Strenuously the natives of Manchuria have clung to the past; while steam shovels, for example, made in the north of England are moving lumps of mountain for a new track, you will find a few yards away men at work with wooden hoes as in Biblical days.

Since the Japanese advent the most energetic steps have been taken to improve agriculture by the establishment of model farms, live-stock stations, and seed nurseries. This has to some extent stirred the Chinese, who are slowly being brought to a sense of appreciation of modern ways and means.

Before outside influence came into Manchuria, the trade there, and in the adjacent land of Mongolia, was based upon horse breeding, the main industry of a fighting race who achieved almost world-wide empire. The Mongols and Manchus are the original example of mounted infantry, they possessed the most mobile army on earth, and under their restless leaders they sacked Moscow one summer and were at the gates of Delhi the next. The most famous of these leaders—Timurlane—in the thirteenth century de-

throned no less than twenty-seven kings and even harnessed kings to his chariot.

So stock farming was the chief occupation of these hardy people; then with the entry of the Chinese the rich lands were gradually put to the plow, and to-day only a shadow of the old pastoral age is visible.

The forest wealth of Manchuria is considerable, and as a former Manchu emperor once expressed it there are "seas of trees." There has, of course, been much destruction of timber, mainly by Manchurian tribes, who in order to protect their crops and herds from the attacks of wild animals destroyed the forests. Then when the Chinese came, they acted in a similar manner to clear the ground for farm purposes. In turn came the railway penetration, and the Russians were active in timber undertakings, especially for the supply of sleepers and fuel. Wholesale spoliation of the forests thus continued, but when the Japanese assumed charge of the leased areas in South Manchuria they took the initiative in the work of afforestation, over one hundred million trees being planted in the zone under their control. Nevertheless, in spite of the denudation that has gone on the forest wealth is still immense, and every year thousands of log rafts are floated down the rivers to ports on the Gulf of Pechili.

The Chinese lumbermen are resourceful, and for the long voyage down the rivers they heap earth up at one end of the raft and there improvise a garden for the supply of vegetables. Time is no object, and

if the voyage of a few hundred miles stretches into months, what matters it, if life goes on in calm beatitude?

Of minerals other than coal there are gold, copper, iron, barytes, asbestos, magnesite, and talc. All these are ready to be exploited now that the outlook on mining has changed, and the death penalty is no longer inflicted for working without authority. In theory it has always been sacrilege to disturb the earth, and the sin of mining was said to have been the cause of the Ming dynasty's downfall.

The rise of the agricultural, mining, and other industries reminds one of pioneer days; railways came in, new cities and towns sprang up, a migration far exceeding those of Biblical times swelled the population, and in a single generation Manchuria has moved from almost prehistoric conditions to a land of trade and agriculture, brought about with outside skill and capital.

Before the building of railways the Chinese were engaged almost wholly in agricultural pursuits, or primitive manufacturing industries, of which agriculture was the basis. They pressed oil from the soya bean for food, as well as light, which is still largely used by the people, and even though electricity is common in all the foreign stores you see by way of contrast the native light provided by oil-soaked wool wrapped round a stick.

The Russians first introduced modern manufacturing methods to North Manchuria, the Japanese per-

forming a similar task in the south. The Chinese, always alive to their own interests, are gradually being stimulated by the rise of new industries in the foreign concessions, and their natural ability helps in the improvement.

Manchuria as a manufacturing country possesses certain outstanding advantages. We have seen its great natural resources in the form of agricultural and mineral wealth, besides live stock and other staple products. Fuel is there in the form of coal, and first-rate labor of the sturdy north China type; it has markets accessible on all sides. It can be made a modern industrial country, for it already possesses the nucleus of expanding industries, enterprising spirit, technical skill, and the supply of capital available would rapidly be increased once law and order are established and the depredations of numerous war lords, wandering bandits, and organized bands of discharged soldiery suppressed.

Whilst the Chinese have provided the labor and the physical means of making the country what it is, Russia and Japan have rendered the development possible. The Chinese have distinct capacity for pioneering, and have shown what they are capable of in agriculture and commercial life, but they lack the elements of formulating and carrying on sound rule, although Manchuria under Chang-Tso-Lin had better government than any other of the twenty-two provinces of China. This blessing continued, mainly due to Manchuria having suffered comparatively little

in the civil war that has rent the remainder of the country. Economic collapse and general depression, following on the widespread factional strife and outbreaks, have scarcely affected Manchuria, but revenue has been squandered on military expeditions with political ascendency as their aim, and only the presence of Japan has saved the country from bankruptcy and disruption in every sense.

Were it not for the Japanese conditions in Manchuria would indeed be chaotic, seeing that a large proportion of the immigrants come from the bandit-ridden provinces of China proper, and with them arrive varied elements from Russia and Siberia. Manchuria has, in fact, become the dumping ground for those eager to make the most out of this promised land.

The southern section of the three eastern provinces is more fertile than the north, and has double the population, who are mainly devoted to agriculture, with local and foreign trade in the towns. Millions more would have migrated to Manchuria long before the fall of the empire in 1911 but for the strong opposition of the Manchus at Peking, who wished to restrain the Chinese emigrant from moving north of the Great Wall, where his agricultural and peaceful temperament would have contaminated the warlike tribes and the military mainstay of the Manchu régime.

The drastic laws against this infiltration into the land of the three provinces did much to check but

did not entirely prevent it. It had, in defiance of the law, been going on for more than fifty years, and only since the Great War has the number increased to such a formidable extent.

The tide of immigration flowing through the large towns spreads out into the fertile valleys which traverse the land of the Manchus from north to south. Nearly thirty-five millions are settled in the country to-day, turning the virgin soil, cultivating the soya bean by which alone Manchuria could live and supply the world, hewing timber in the dense forests, floating the logs down on innumerable rafts by way of the arterial rivers, and generally tapping and opening up this granary of Asia, with its riches in minerals, beans, coal, furs, and timber.

In the cities and larger towns the trade is mainly in the hands of Chinese and Russians, the Chinese shops supplying the local needs of farmers and peasants.

Life in a Manchurian town is much the same as elsewhere in China proper; the streets in the native quarters are narrow and would be the despair of any sanitary authority. There are long lanes where the sun has difficulty in penetrating, and in this artificial gloom thousands of Chinese live and have their being. Here business is brisk, the streets and lanes from wall to wall pulsate with life, and the shops are open to the world. Privacy there is almost none; you could shake hands with ease with a dweller in a house or shop opposite, for the overhanging eaves are set as closely

together as the teeth in a comb, bending forward like gargoyles intent on malicious and dreadful gossip. The sky is often hidden by these eaves and by the high verandas jutting out from many of the houses.

The space between roofs and streets is filled with signboards covered in Chinese characters of faded gold or red, and fashioned from narrow strips of colored wood hanging vertically. The more enterprising of the shopkeeping fraternity attract the attention with colored paper lanterns, arranged regardless of order, and of every imaginable shape and size. A jingling cacophony is set up when these signs and lanterns are set swinging in the breeze. Dark and forbidding alleyways branch off from the main streets, where there is a malodorous stench of rags and refuse, of dirt and squalor. Twilight, grotesque and frightening, is their portion, and in this gloom disease breeds unchecked, child lives are sacrificed, the young grow old before they have known manhood.

Scattered over the pavements as though a thousand children had played a fantastic game of hare and hounds, are fragments of red paper. If you are poetically inclined you may imagine them to be faded rose petals. Actually they are the torn wrappings of joss sticks, the incense which every Chinese, poor or rich, offers to the memory of his ancestors. The latter must be provided with everything needful to their comfort and well-being in the world beyond; every day their memory must be hallowed by the wafting of the incense. Hard by the temples you

would imagine the ground had been painted crimson, so thick does the paper lie. Even the constant squelch of muddy feet cannot dim its blood-red witness to the religion which is stronger than life itself in China.

Few of the shops have windows or doors; merely huge shutters which can be readily removed and cause little trouble. They are gaudily painted and gilded fantastically, some lacquered, others daubed over with many colors as though a post-impressionist artist had been having a riotous day.

Great plank shutters protect the contents of the more pretentious shops, and the presence of heavy bars and bolts indicates that thieves and prowlers are not unknown.

By some of the shops you will notice a brightly painted recess, usually of porcelain and half-filled with sand, into which the joss sticks are thrust, and throughout the day and night their smell pervades the air, rising to the comfort of the dead and gone.

Every lane and street is packed—shopping is an easy matter, for most trades are grouped together—here fifty yards of shoe shops, there a succession of emporiums where baskets, boxes, lacquer work, and pictures are sold. Gambling, tea-drinking, and bargaining are in full swing, each one intent on his occupation, doing everything with that persistence and application which are the prerogative of the Chinese race.

In strong contrast to the native quarters are those of the foreign residents. The land leased or acquired

by Europeans and Japanese has by initiative and enterprise developed into model cities. It has required much time, patience, and labor to construct the up-to-date buildings, adapt sites to modern requirements, and install the amenities of civilization. In some cases land has had to be filled in, marshes drained and rivers dredged, before the areas were suitable for residence and trade.

As time passed Western methods of municipal administration and the security enjoyed by the population, Chinese and foreign, within those areas, induced many Chinese banks, business firms, and others, to purchase or rent property under foreign control. Often the Chinese population is far in excess of the white inhabitants or that of the Japanese, for when it is a question of trading in security and life going on in calm beatitude, the Chinese appreciate law and order, and general conditions are on such a high level that both trade and property values rise in consequence.

The standard of living, hygiene, and comfort within the European and Japanese quarters is the result of years of constructive energy, and control of them should only be relinquished when there is a certainty of responsible government authorized to speak for China as a whole.

In Mukden, Harbin, or in any of the cities, you will see the perambulating restaurant; a coolie carries a huge wickerwork table on his back, and a collection of stale fish and shark's fins, liver of all kinds, meats

boiled, baked, and roast, with spices of every kind to tempt the appetite. He puts his table down in the roadway, the customer chooses his dishes, pays the price, and the restaurant goes on its way again. If you are a gourmet you may prefer a pottage in which rat is the principal ingredient, invaluable, so the Chinese tell us, in cases of baldness, whilst a stewed black cat will ward off a fever.

Beggars abound, for begging is a recognized profession throughout China. As the begging class is one that might be a danger to the state, the Chinese, who are an eminently practical race, place it under the control of a headman who is responsible to the local authority. This man accounts for the good conduct of the ragged and diseased army committed to his charge, and enjoys considerable power in connection with his office. He reports periodically to the governing authority, and arranges with shopkeepers for the payment of a fixed sum monthly to his followers, thus saving merchants and traders from being pestered during business hours.

Should there be any refusal to pay the sum demanded the beggars soon bring the refractory one to a sense of his obligations. A dirty and disheveled party will appear and demand alms. Their malodorous presence scares away customers, potential buyers cannot get anywhere near the shop, whilst traffic is held up, and all business is at a standstill.

If the shopkeeper still proves obdurate his resistance is countered by an increase in the number of importu-

nates, who press their demands for charity until nothing can be heard above the din. Finally he is forced to capitulate, and the beggars retire with flying colors.

The Manchus, and those who have lived long in the country, are essentially insular in their outlook, as, indeed, are the people from each and every province of China. They speak a different tongue from those in the south, their outlook on life is different, and a man from Mukden would not understand the Canton dialect, nor be able to carry on a conversation with one from Shanghai. But all alike, whether from Peking, Canton, Nanking, Mukden, or Hankow, consider themselves the real Chinese, and regard their city much as the English public schoolboy regards his Alma Mater—with pride and veneration.

Back in the streets and lanes of Manchurian cities there is an ever-moving panorama of passers-by, every trench-like thoroughfare teems with its thousands, mostly Chinese, of a uniform sallow complexion, and almost without exception clothed in blue, black, brown, or gray. In the summer heat thin clothes are worn, and in the winter garments heavily padded with cotton. If it gets colder another wadded suit is added.

So it comes that all this teeming life and prosperity in town and country have been initiated by the exertions of Russia and Japan. The Japanese display remarkable efficiency in the areas under their control, and even the ways and means of the Soviet are superior

to anything that Chinese administrative ability can show.

To-day, as an outlet for surplus population it must be said that Manchuria is more the home of the Chinese. The influx of Chinese settlers continues with unabated vigor. Under ordinary circumstances this migration would prove the decisive factor in deciding the ultimate fate of awakened Manchuria. But to-day other and no less powerful influences are at work, shaping the destiny of that land. Industrial and strategic considerations cannot be ignored. Nor can the fact that if China owns Manchuria, it is Japan that has ushered in the new age.

CHAPTER III

THE PROMISED LAND OF ASIA

AS the railways play the most important part in development of Manchuria we will mention briefly the main lines along which flows the increasing trade of the Three Provinces. Of these the Chinese Eastern is the first, both from its original purpose, and as the initial factor in opening up the country, whilst it is also the oldest concession line.

This railway, nine hundred miles in length, operating under Chino-Soviet joint management, traverses the heart of North Manchuria with its terminus at Vladivostok. It constitutes not only a section of the trans-Asiatic route to Europe, but is the main factor in exploitation of the virgin lands of North Manchuria.

The Emperor Alexander III, father of the late Czar Nicholas, was the driving force in the construction of the Trans-Siberian Railway to connect European Russia with the Pacific, and so anxious was he to forward the plans that he appointed Count Witte to be both Minister of Finance and Ways and Communications. The Finance Minister, who had been summarily dismissed, was actively opposed to the immense undertaking, and appalled at the work and cost involved in this project of railway construction.

Witte, in his double capacity, with a free hand and none to interfere, concentrated on the task, and at the audience with the Czar when full powers were given him by the autocrat, he is said to have remarked, "I will devote myself body and soul to the task."

The construction of the Ussuri Railway, which, as reference to the map shows, connects Vladivostok with Khabarovsk, commenced in May 1891, was finished under Witte's administration. In the meantime, the Trans-Siberian had reached Trans-Baikalia, and the question arose as to the direction the line should now follow. Witte wished to carry it straight across Manchuria to Vladivostok, as this was easier and much more economical than taking it entirely through Russian territory along the line of the Amur River, which here makes a pronounced curve.

This route shortened the line by 570 miles, and after the war with Japan, Russia in 1908 built the Trans-Amur Railway, thus connecting Europe with Vladivostok on Russian territory throughout. This line, 1240 miles long, took eight years to build, and cost three hundred million rubles.

The Chinese Eastern line having been completed, a branch line from its central point at Harbin was carried due south to Port Arthur and Dalny. This line was known as the South Manchurian Railway, and after the war of 1904-5 was ceded almost in its entirety to the Japanese. The development and constructional work that Russia carried out in Manchuria were colossal; the two lines in question, the creation

of Port Arthur as a naval station, the extensive fortifications, the conversion of the fishing village of Dalny into one of the world's busiest ports, with its spacious squares laid out like an American city, the wide avenues, and the docks and wharves, are a monument to Russian activity and enterprise at that time.

Only the authority of an autocrat could have brought about the transformation, and the appearance of a magic city and port which were the talk of the East.

There were no parliaments to hold up the scheme, no committees to scrutinize the plans and subject them to the pruning knife and the scissors. The order was given, and the machinery of construction set in motion. All the trades and professions, the skilled intellect of architects and engineers, were mobilized, with millions of rubles to carry the plans for cities, railways, seaports, and terminus to a triumphal conclusion, and give to Russia the predominant position in the Far East which she believed to be her destiny.

The South Manchurian Railway traverses the heart of South Manchuria, with its terminus at Dalny, and it connects with the railways running to China proper, Korea, and northwards to Europe. It plays the leading part in the growth of agricultural development, and of the ever-increasing international trade.

This line is the sheet anchor in the South Manchurian coal and iron industries, besides giving employment directly and indirectly to many thousands

of Chinese who have been attracted from their own provinces by the lure of Manchuria.

Then there is the Peking-Mukden line, 390 miles in length, between Mukden and Shanhaikwan, where the Great Wall terminates, which, with its branch lines, was built with British capital. It also plays a valuable part in development, but has suffered badly at the hands of various Manchurian war lords, who have confiscated the rolling stock, appropriated the revenue, and acted in defiance of the British loan agreement.

There are other and smaller lines for which the Chinese have been mainly responsible with their own capital, the idea having been to provide military lines for operations in the endless civil strife.

The lines are being extended, and more railway construction is in hand in Manchuria than in any other part of the world.

The South Manchurian line is remarkable in more ways than one; it is the most curious and complex organization of its kind, for not only is it a railway company, but conducts as accessory enterprises, coal mines, iron works, docks, wharves, warehouses, and is engaged in educational, hygienic, and other public works. Running in connection with it are joint stock companies, gas works, electric light institutions, and hotels. In fact, it operates as a corporation, a railway, and a political, economic, and commercial concern, with a volume of business that is the largest of its kind in the world. Its history is also to a large

extent that of Manchuria, for both are inseparably bound together.

The line and its associated activities are a tribute to Japanese enterprise, and for efficiency of administration it could not be surpassed. Incidentally, through the agency of this and other lines Japan turns to good account what she has learnt from the Western world, and there is no more apt pupil at applying knowledge as a vital force in the opening up of Manchuria.

The South Manchurian Railway lives through thrilling times, for it is frequently raided by Chinese bandits, of the Hunhut type, who move in bodies of fifty to a hundred strong, holding up trains whenever the opportunity offers. In the past five years there have been over twelve hundred raids, so the Japanese have their hands full, and it is a marvel how they maintain the services in such an efficient condition.

Much controversy has arisen over Japanese aims and objects in Manchuria; the searchlight of investigation has been turned on to their movements, both political and military, in that country, and the world is wondering whether their ultimate object is domination in Eastern Asia, or if the course they have mapped out is merely an altruistic one. In our endeavor to arrive at an impartial verdict, we must take into account the situation as we find it, and, as the Japanese Emperor himself expresses it, be circumspect in all things.

It is therefore necessary to take stock of a remarkable document, one of the most sensational that has

appeared amongst all the many statements concerned with the colonization, development, and general exploitation of a new continental empire of the East. This document was issued as the outcome of a conference held in June 1927 in Tokyo, which all officials, both civil and military, who were directly or indirectly connected with Manchuria, and the adjacent country of Mongolia, attended.

In the course of our review we have dealt with the Nine-Power Treaty to which Japan was a party, but, from the above document, apparently an unwilling one. It placed restrictions upon their activities in Manchuria, it hampered the ultimate aims and objects they had in view, and the situation thus created called for immediate action.

The Emperor Taisho therefore convened a meeting to discover ways and means by which the new order of things could be circumvented, and the course of Japanese policy in Manchuria, prepared with such skill and forethought over a period of many years, go on unchecked, in the fullness of time to bear the fruit to which the Japanese so ardently look forward. A mission was sent to Europe to sound in a manner so easy to the Oriental, masters in the art of secret diplomacy and discovering what is in the other man's mind, what the attitude of the leading European Powers might be; it was instructed to proceed to America, for the United States was an uncertain quantity. Its attitude towards China, and the sympathy displayed for that broken-up land, left an im-

pression in Japan that opposition might very easily be met with from America.

The memorial begins with a brief but pointed review of the political and economic situation of Japan subsequent to the war, which, it declares, is due to the omission to take advantage of special privileges in Manchuria and Mongolia.

"Manchuria and Mongolia include the provinces of Fengtien, Kirin, and Heilungkiang, with Outer and Inner Mongolia, a total area of 74,000 square miles and a population of 28,000,000. It is three times as large as our own territory, with only one-third as many people.

"The advantage is not merely in the scarcity of population; nowhere in the world is there such wealth in mines, agriculture, and timber. To make the most of these resources for the perpetuation of our national glory we created the South Manchurian Railway. The total sum invested in our undertakings in railway, shipping, mining, forestry, steel manufacture, agriculture, and cattle farming, as schemes claiming to be mutually beneficial to China and Japan, amounts to 440,000,000 yen. In effect it is the greatest single investment, and the bulwark of our country's organization.

"Although nominally the enterprise is under the joint ownership of the Government and the people, in reality the Government has complete power and authority. The South Manchurian Railway has a peculiar position, with powers analogous to those of the

Governor-General of Korea, and authority to conduct diplomatic, police, and ordinary administrative functions, so that it may carry out our imperialist policies. This fact alone is sufficient to indicate the immense interests we have in Manchuria and Mongolia.

"Therefore, the policies of successive administrations towards this country since the time of Meiji are all based on his injunctions, elaborating and continuously completing the development of the new continental empire, to further the advance of our national glory and prosperity for countless generations to come."

The report then states that the restrictions imposed by the Nine-Power Treaty, signed at the Washington Conference in 1922, reduced Japanese special rights and privileges in Manchuria and Mongolia to such an extent that there is no freedom for the nation.

"The very existence of our country is endangered. Unless these obstacles are removed, our national life will be insecure, and our strength will not develop. Moreover, the sources of wealth are in North Manchuria; without the right of way here we cannot tap the riches of this country. Even the resources of South Manchuria, which we won by the Russo-Japanese War, will also be greatly restricted by the Nine-Power Treaty. The result is that while our people cannot move into Manchuria as they please, the Chinese are coming in like a flood. Hordes of them come into the three eastern provinces, approximating sev-

eral millions annually. To such an extent have they jeopardized our acquired rights in Manchuria and Mongolia that our annual surplus population of 700,000 has no outlet. If we do not formulate plans to immediately check the influx of Chinese immigrants, in five years' time the number of Chinese will exceed sixty millions. Then we shall be faced with greater difficulties in Manchuria and Mongolia."

Premier Tanaka then describes his journey to Europe and America to ascertain the views of the Powers towards the Nine-Power Treaty, as regards Japanese influence in Manchuria and Mongolia, of his return to Japan through Shanghai, where he narrowly escaped death at the hands of a Chinese assassin, and his subsequent recommendations to the Emperor.

"The three eastern provinces are politically the imperfect spot in the Far East; to safeguard ourselves, as well as others, Japan cannot remove the difficulties in Eastern Asia unless she adopts a policy of 'Blood and Iron.' In carrying this out we have to face the United States which has been turned against us by China's policy of fighting poison with poison.

"In the future if we wish to control China the primary move is to crush the United States, just as in the past we had to fight the Russo-Japanese War. But to conquer China we must first take Manchuria and Mongolia. If we conquer China the rest of the Asiatic countries, and those of the South Seas, will fear us and surrender. Then the world will realize that Eastern Asia is ours, and will not dare to violate

our rights. This is the plan left to us by the Emperor Meiji, the success of which is essential to our national existence."

The memorial proceeds to state that the Nine-Power Treaty expressed the spirit of commercial rivalry, and emphasized Japanese *trade* rather than *rights* in China. If, it says, Japan merely hopes to develop trade she will eventually be defeated by England and America, who possess unsurpassed wealth. "In the end we shall get nothing. A more dangerous factor is the possible awakening of the Chinese people; when we remember that the Chinese are our customers we must beware lest China one day become unified, and her industries prosperous. Americans and Europeans will compete with us; our trade in China will be wrecked.

"The way to gain actual rights in Manchuria and Mongolia is to use this region as a base, and under the pretense of trade and commerce penetrate to the rest of China. Armed with the rights already held we shall seize the resources all over the country. With the latter at our disposal, we shall proceed to conquer India, Asia Minor, Central Asia, and even Europe. But, if the Yamato race wishes to distinguish itself in continental Asia it must first get control of Manchuria and Mongolia; to secure the permanent prosperity of our empire the only method is by a positive policy towards these two countries.

"Considered historically, Manchuria and Mongolia are neither Chinese territory nor their special posses-

sions. Dr. Yano has made a wide study of Chinese history, and came to the positive conclusion that neither were Chinese territory. This fact was announced to the world on the authority of the Imperial University. The accuracy of Dr. Yano's investigations are such that no Chinese scholars have contested his statement. However, the most unfortunate thing in our declaration of war with Russia was that the Japanese Government openly recognized Chinese sovereignty over these regions, and again later on at the Washington Conference when we signed the Nine-Power Treaty. Owing to these two miscalculations, on our part, Chinese sovereignty in Manchuria and Mongolia is established diplomatically, but our interests have suffered serious injury.

"Although the Chinese speak of the five races of their dominions, nevertheless Tibet, Chinese Turkestan, Mongolia, and Manchuria, have always been special areas, the sovereign power remaining with the local rulers. So long as they retain administrative functions the sovereign rights are clearly in their hands; we may regard, and negotiate with, them as the ruling power, for rights and privileges. We must recognize, and support them as the ruling power.

"Since Manchuria and Mongolia are still in the hands of the former princes we must back them up. For this reason the daughter of General Fukishima, Governor of Kwantung, risked her life among the barbarous Mongolian people of Tushiyeh to become adviser to their prince, so that she might serve the

Imperial Government. As the wife of the prince ruler is the niece of the Manchu Prince Su, the relationship between our Government and the Mongolian princes becomes very intimate. The princes of Inner and Outer Mongolia have all shown sincere respect for us, especially after we attracted them by special benefits and protection.

"Now there are nineteen Japanese retired military officers in the house of the Tushiyeh. We have already acquired monopoly rights for the purchase of wool, for real estate and mines. Hereafter we shall secretly send more retired officers to live among them. They should wear Chinese clothes in order to escape the attention of the Mukden Government. Scattered in the territory of the princes they can engage themselves in farming, herding, or dealing in wool. As to the other principalities we can employ the same method as in Tushiyeh. Everywhere we should station our retired military officers to dominate the princes' affairs. After a large number of our people have moved into Outer and Inner Mongolia we shall be able to purchase land at one-tenth of its value, and begin to cultivate rice where feasible to relieve our shortage of food supply. Where the land is unsuitable for rice cultivation we should develop it for cattle raising, and horse breeding, so as to replenish our military needs. The rest of the land might be devoted to the manufacture of canned goods for export to Europe and America. The supplies of fur and leather would also meet our needs. Once the opportunity

comes, Outer and Inner Mongolia will be definitely ours. While the sovereign rights are not clearly defined, and the Chinese and Soviet Governments have their attention engaged elsewhere it is our opportunity to quietly build up our influence. Once we have purchased most of the land there will be no room for dispute as to whether Mongolia belongs to the Japanese or the Mongolians. Aided by our military prowess we shall realize our positive policy."

More interesting revelations continue on the policy of peaceful penetration, gradual acquisition of land, and appropriation of a large sum from the secret service funds to enable four hundred retired officers, disguised as teachers and Chinese citizens, to proceed to Outer and Inner Mongolia, gain the confidence of princes and people, and lay the foundation of Japanese national interests for the next hundred years.

The memorial considers that President Wilson's declaration of the self-determination of races resembled a divine revelation to suppressed peoples, so that the spirit of unrest spread abroad, particularly in Korea. The Japanese, with the perspicacity of their race, drew lessons from the rebellion in Korea, and a more conciliatory policy, with a view to utilizing the Koreans in the campaign of peaceful penetration, is advocated.

An illuminating passage gives the railway schemes for all Manchuria, their part in military, political, and economic development, and the prevention of Russian influence. "Although the power of Soviet Russia is

THE CITY OF MUKDEN

One of the main streets in the ancient Chinese section of the historic capital of Manchuria

declining, her ambitions in Manchuria and Mongolia have not lessened one iota. Moreover, according to a Soviet secret declaration, although they have no territorial ambition, they must retain a hold on the Chinese Eastern Railway, for Vladivostok is their only seaport in the Far East which gives them the foothold on the Pacific."

The memorial declares that a conflict with Soviet Russia in the near future is inevitable. "In that event we shall again play our part in the Russo-Japanese War; the Chinese Eastern Railway will become ours as the South Manchurian line did last time. It seems a necessary step that we should draw swords with Russia in Mongolia, to gain the wealth of North Manchuria, for, until this rock is blown up, our ship is denied smooth sailing."

A detailed program for the building of railways then follows, with plans for mobilization and strategical moves in the regions in question, so as to gain complete commercial, political, and financial control.

That part of the memorial dealing with the projected railways is of such interest, and throws such sidelights on every aspect of the Manchurian problem, that we give it in detail.

"Tungliao-Jehol Railway. This line is 447 miles long, and when completed will be of great value in our development of Inner Mongolia. It is the most important of all the lines in the undertaking. According to careful surveys of the War Department there are large tracts of land in Inner Mongolia suit-

able for cultivation. With proper development there will be room for twenty millions of our people. There is also the possibility of producing annually two million head of cattle, available for food supply and for export to Europe and America. Wool also is a special product; it is far superior to that of Australia and its low cost, high quality, and abundance, make Mongolia a potential source of great wealth in wool. When this industry is facilitated by railway development, the total production will increase at least tenfold. We have withheld this knowledge from the rest of the world, lest England and America compece with us.

"Therefore we must first control the transportation and then develop the wool industry. By the time other countries are aware of it it will already be too late to act. When this railway is in our hands we can develop the wool industry, not only for personal needs but for export elsewhere. Moreover, our aim in joining hands with Mongolia can be realized. This railway is a matter of life and death to our policy; without it we can have no part in the development of Mongolia.

"Suolun-Taonan Railway. This line is 136 miles long. Looking at the future of Japan a war with Russia over Northern Manchuria is inevitable. From a military standpoint this line will not only enable us to threaten the Russian rear, but will cut off reenforcements. Looked at economically it will place within our reach the wealth of the Tao-er-ho valley;

our hope of working hand in hand with the Mongolian princes, of acquiring lands, mines, and pasturage, and developing trade with the natives, as preliminary steps for later penetration, all depend upon this line. Together with the Tungliao-Jehol Railway they will form two supplementary routes into Mongolia. When the industries are fully developed we shall extend our interests into Outer Mongolia. But the danger of this line is that it might give facilities for Chinese migration into a new region, and defeat our own policy.

"The redeeming feature, however, is the fact that lands and mines along this railway are in the hands of the Mongolian princes; if we first gain possession of them we need not fear Chinese immigration. Moreover, we can make the princes pass laws discriminating against Chinese immigrants. When life there is made miserable for the Chinese they will naturally leave for places far off. There are other methods to bar the Chinese; only, if we try hard enough no Chinese footprints will be found on Mongolian soil.

"A section of the Changchun-Taonan Railway. As this line runs from Changchun to Fuyu and Talai, the section between Changchun and Taonan is 131 miles. It is immensely important from an economic standpoint, for the wealth of Manchuria lies in the north. It will give us easy access thereto, and, at the same time, prejudice the Chinese Eastern Railway to the benefit of the South Manchurian line. It runs through the upper valley of the Sungari River where

the soil is fertile and agricultural products abound. Further, in the neighborhood of Talai there are the Yueh-liang Falls ready to be harnessed for electric power. That this section of the line will be a prosperous center for industry and agriculture is beyond all doubt. After the completion of this line we can make Talai a base, and advance on Siberia by three routes, i.e. Taonan, Anshan, and Tsitsihar. The wealth of North Manchuria will pass to us. This will be the first line of advance to Heilungkiang, forming a circuit with the railway between Changchun and Taonan, which will be admirably adapted for military purposes when we penetrate into Mongolia. This line is thinly populated, but the land is rich and extensive; no fertilizer will be required on the farms for the next fifty years. Possession of this railway ensures all the wealth of North Manchuria and Mongolia.

"Here there is room for at least another thirty million people. When the Tunhua Railway is completed, and is linked with the line running to Hueining in Korea, everything will be brought to the doors of Tokyo and Osaka by direct routes. In time of war our troops could be dispatched direct to North Manchuria and Mongolia via the Sea of Japan, forestalling any contemplated entry of Chinese forces into North Manchuria.

"Nor could American or Russian submarines enter the Korean Straits. The moment the railways between Kirin and Hueining, and the line from Chang-

chun to Talai, are completed, we shall be self-supporting in foodstuffs and raw materials. We shall have no worries in the event of war with any country.

"Kirin-Hueining Railway. Although the Kirin-Tunhua line exists, the Tunhua-Hueining line has yet to be built. Hitherto those going to Europe have to pass through Dairen or Vladivostok; now they can travel direct from Chingchinkang via the Siberian Railway. When we have control of this great system of transportation we need make no secret of our design on Manchuria and Mongolia according to the third step of Meiji's plans. In accordance with his last will our first step was to conquer Formosa and the second to annex Korea. With both these completed the third step has yet to be taken, and that is the conquest of Manchuria, Mongolia, and China.

"In history the people of Kirin, Fengtien, and part of Heilungkiang are called Sushan; they are now scattered along the coast and in the basins of the Amur and Tumen rivers. The ancestors of the Manchurian dynasty also originated in that neighborhood; they gained control of Kirin and then firmly established themselves in China for three hundred years. If we wish to effect our continental policy we must note this historical fact, and, like them, proceed to establish ourselves in that region. Hence the necessity for the Kirin-Hueining Railway.

"We are free to decide whether the terminus of this line be at Chingchin or Lochin, or even Hsuingchi. From the standpoint of national defense Lochin seems

to be the ideal harbor and terminus. Eventually it will be the best harbor in the world. On the one hand, it will ruin Vladivostok, on the other it will be the center of wealth of North Manchuria and Mongolia.

"Moreover, Dairen is not yet our own territory, and Manchuria not yet a part of our empire. Therefore we should be in a precarious situation in time of war. The enemy could blockade the Tsushima and Senchima Straits, and we should be cut off from the supplies of Manchuria and Mongolia. Not having the resources there at our command we should be vanquished, especially as England and the United States have worked hand in hand to limit our action in every possible direction. For the sake of self-preservation, and to impart a warning to China and the rest of the world, we must sooner or later fight America. The American Asiatic squadron stationed in the Philippines is within a stone's throw of Tsushima and Senchima. If they dispatch submarines to those points our supplies of foodstuffs and raw materials from Manchuria and Mongolia will be entirely cut off.

"With the completion of the Kirin-Hueining line there is a wide circuit line through all Manchuria and Korea, and a smaller circuit through Northern Manchuria. We shall thus have access in all directions, with freedom for the transport of men and material alike. With supplies thus transported by this route to our ports at Tsuruga and Nigata hostile submarines

will find no way of getting into the Japanese and Korean Straits.

"We are then entirely free from interference; this is what is meant by making the Sea of Japan the center and focus of our national defense. Having assured the uninterrupted transportation of food and raw materials we shall have nothing to fear either from the American Navy, because of its size, or from a Chinese or Russian army by reason of its numbers.

"Manchuria and Mongolia are the Belgium of the Far East. In the Great War Belgium was the battlefield; in our wars with Russia and the United States we must also make Manchuria and Mongolia suffer the ravages. As it is evident that we have to violate the neutrality of these territories we must, to be prepared militarily, build the Kirin-Hueining and Changchun-Talai lines. In time of war we can easily increase our forces, and in peace time can transfer thousands upon thousands of people into this region. This line offers the key to economic development, as well as to military conquest.

"Now let us consider the economic interests along the Kirin-Hueining line. According to the careful investigations of our General Staff, and the South Manchurian Railway, the total reserve of timber is 200,000,000 tons; if a million tons are felled yearly and imported to Japan it will last two hundred years. This will stop the import of American timber which has been costing us eighty to one hundred million yen per annum. Although our information is reliable we

cannot make it known to the world, for, if it comes to the knowledge of Russia or China that we import so much timber from America, they would endeavor to interfere with the construction of this line.

"The United States might also purchase from the Fengtien Government the timber rights to protect their own trade with us, or secure a monopoly and, incidentally, kill our paper industry.

"Kirin was known as the 'ocean of trees' even in the days of the Emperor Chien Lung. In addition to the original forests, there is the growth in the intervening years since that time.

"Imagine the vastness of the resources!

"In addition there are the Hsin Chin coal mines; a reserve of 600,000,000 tons, excellent in quality, easy to excavate, and lending itself to the extraction of petroleum, agricultural fertilizers, and other chemical by-products, available for home consumption, and for sale in China. There are many other advantages accruing from the construction of the Kirin-Hueining line; it is all gain without labor. With these coal mines under our control we hold the key to the industries of all China.

"Hunchun-Hailing Railway. This has a length of 170 miles; all along it are thick forests. This line is needed both to strengthen the Kirin-Hueining Railway, and to exploit the forests and mines of North Manchuria. It is also urgently required to transfer the prosperity of Vladivostok to Hueining. The climax of prosperity, however, is that south of

Naining and north of Tunhua, there is the Lake Ching Po which can be utilized for the generation of electric power. With the latter we shall dominate the agricultural and industrial undertakings of the whole of Manchuria and Mongolia."

The memorial then deals with the trade in Manchuria, which it states is seven to eight billion yen per annum, "all of which is in our hands." "The trade we do in wool, cotton, soya beans, bean-cakes, and iron forms one-twentieth of the total volume of world trade."

Next we are shown "the first steps in gaining financial and commercial control of Manchuria and Mongolia, which lie in the monopoly sale of their products. These we must have before we can carry out our continental policy, and obviate the influx of American capital, as well as the influence of Chinese traders.

"Although the products of both Manchuria and Mongolia may pass through any of the three ports of Dairen, Yingko, and Antung, nevertheless Dairen holds the key to the situation. Every year 7,200 ships touch at this port, with a total tonnage of eleven and a half millions, representing 70 per cent of the total trade of Manchuria and Mongolia. Fifteen sea routes radiate from it. We have in our grasp the entire transportation system of Manchuria and Mongolia. The monopoly sale of Manchurian products will eventually come into our hands. Then the vast quantities of beans, upon which Central and Southern China depend, will be subject to us; the Chinese are

an oil-eating people, and in time of war we can cut off their oil supply and the life of the whole country will become intolerable.

"Bean-cakes are important as fertilizers for rice cultivation; if we control the source of supply, as well as the transport, we can increase our rice production by a cheap supply of bean-cakes, and the fertilizers manufactured as a by-product at the Fushun coal mines. In this way we shall have the work of all agricultural China dependent upon us. In case of war we can place an embargo on bean-cakes and mineral fertilizers, prohibiting their export to Central and South China. Then Chinese production of foodstuffs will be greatly reduced. This is one way of building up our continental empire which we must not overlook. We should remember that Europe and America also need large quantities of beans and bean-cakes. When we have a monopoly of the supplies and full control of the transportation, both on land and sea, the countries requiring the special products of Manchuria and Mongolia will have to seek our good-will. To be paramount in the trade we must have control of the transportation system. Only then will the Chinese merchants be under our thumb.

"We must overthrow Manchuria's inconvertible silver notes and divest the Government of its purchasing power. Then we can extend the use of our gold notes [1] in the hope of dominating the economic

[1] It is of interest to note that Japan has recently been forced to abandon the gold standard

and financial activities of Manchuria and Mongolia. Further, we can compel the authorities of the three eastern provinces to employ Japanese financial advisers to assist us in gaining financial supremacy. When the Chinese notes are displaced our gold notes will take their place.

"It has been our traditional policy to exclude from Manchuria and Mongolia investments of any third Power, but, since the Nine-Power Treaty is based on equal opportunity for all, the underlying principle of the International Consortium, which regards Manchuria and Mongolia as outside its sphere, becomes anachronistic. We are constantly under the watchful eyes of the Powers and every step taken arouses suspicion. It would therefore be well for us to invite foreign investments in such enterprises as the development of electrical power, and the manufacture of alkalis. By using American and European capital we can further our plans for the development of Manchuria and Mongolia; moreover, we shall thereby allay international suspicion and clear the way for larger plans, and induce the Powers to recognize the fact of our special position. Whilst welcoming any Power wishing to make investments we must not allow China to deal with the leading Powers at her will. In view of our desire for the Powers to recognize our special position in Manchuria and Mongolia, both in political and economic spheres, we are compelled to intervene and share all responsibility with her. To

make this a matter of customary diplomatic practice is another important policy for us."

The memorial, speaking of the enterprises of the South Manchurian Railway, says: "Iron and steel are closely connected with national development. Every country attaches great importance to them, but because of the lack of ores we have found no solution to this problem. Hitherto we have had to import steel from the Yangtze Valley and the Malay Peninsula, but according to a secret survey of our general staff a wealth of iron deposits are found in many places in Manchuria and Mongolia, a conservative estimate of the reserve being ten billion tons.

"The iron deposits are estimated at 1,200,000 tons, and the coal at 2,500,000,000 tons. With such large amounts at our disposal we should be self-supporting for at least seventy years.

"Another important commodity which we lack is petroleum; it is essential to the existence of a nation. Fortunately there are in the Fushun coal mines 5,200,000,000 tons of shale oil from which oil may be extracted.

"From the standpoint of national defense and national wealth, petroleum is a great factor. With the iron and petroleum of Manchuria our army and navy will be impregnable walls of defense. That Manchuria and Mongolia are the heart and soul of our empire is a truism.

"According to independent surveys magnesium and aluminium are promising. The deposits in our terri-

THE NEW MUKDEN

A recent photograph of the main street of the modern section of the city, in the creation of which the Japanese have played a prominent part

tory of Manchuria and Mongolia are nothing less than a God-given gift. After we have gained control of the Yalu River in the three eastern provinces we can harness the water power to work these metal ores. In view of the development of aircraft the world will, in the future, come to us for the materials necessary for aëronautics."

The memorial deals with railway functions in the problem of immigration, and to encourage the latter rapid transportation is essential. "This will both afford facilities to our people and bring the natural resources to market. Moreover, both Russia and ourselves have been increasing our armaments. Owing to our geographical positions we have conflicting interests. If we wish to obtain the wealth of North Manchuria, and build up the new continent according to the will of the Emperor Meiji, we must first rush our people there and endeavor to break the friendship between China and Russia. In this way we can enjoy the wealth of North Manchuria and hold at bay both Russia and China.

"In the event of war our immigrants in North Manchuria will combine with our forces in the south and at one stroke settle the problem for all time. Where this is found to be impracticable they can still hold their own in North Manchuria and supply us with foodstuffs and raw materials.

"As the interests of Japan and North Manchuria are so interwoven we should march directly into the latter country and pursue our settled policy."

dating, could possibly have accepted them without sinking to the state of a subservient vassal. The demands were subsequently modified, as the result of protest from the West once their nature became known.

Yuan Shi Kai, the President, when the demands were submitted to him at night, flatly refused to accede to them, and only after the presentation of an ultimatum were the Japanese able to secure their acceptance in a modified form.

The treaty rights so gained are really the crux of the Manchurian dispute, and successive Governments which have wielded temporary and precarious authority in Peking, Nanking, and elsewhere, have declined to consider them as in any way binding on the people or Government. Their protests to Europe and America eventually resulted in a clause in the Nine-Power Treaty, binding all the contracting parties with rights, privileges, or interests of any kind in China, to respect the policy of the Open Door, originated, as we have seen, by John Hay, U. S. Secretary of State, in 1900. They also undertook, and this was inserted doubtless owing to the Japanese action in 1915, to agree to "full and frank communication on every occasion when the full application of the treaty was involved."

This treaty is remarkable in that it really originated as the result of the secret presentation of those notorious Twenty-One Demands, and the necessity for insuring against a repetition of such unparalleled action. Under its terms, as well as by those of the

Covenant of the League of Nations, Japan agreed to consult with other nations concerned prior to undertaking any naval or military operations in or against China. That she has omitted to do so in the case of the military operations in Manchuria is due to the war party having forced the pace, and precipitated action with which the civil authorities are not entirely in accord.

We now come to the question of racial rivalries as between Chinese and Japanese, and the relative acumen in business and commercial ability.

To appreciate the mentality of both peoples in regard to economic development, at which the Japanese are such adepts, it should be explained that the disinclination of the Chinese to admit foreign capital and exploratory enterprise in any form, whether it be in Manchuria or elsewhere, arises from the deep-rooted conviction that this will bring with it alien influence and domination, with which concessions in the past have been accompanied. Whilst admitting that the introduction of foreign capital is desirable, they fear the simultaneous rise of diplomatic difficulties and dangers.

It is unlikely that development, other than under European or Japanese supervision, could take place, for so widespread is the practice of bribery and corruption that investors would be lacking for a purely Chinese enterprise, despite the fact that under the agreement concluded between China and Great Britain in 1902, British subjects investing in, and a

party to, Chinese ventures shall be under the same obligations as the Chinese participants and entitled to the same privileges. There are, of course, large sums of British capital invested in sugar and rubber companies in the Straits Settlements, but conditions there are so entirely different from the chaotic state prevalent in China that no comparison is possible.

Generally speaking, where the development of the country is concerned the Chinese are hostile only to those schemes that appear to be prompted by ulterior motives; anything in the nature of a sound business proposition, entirely divorced from relation to land or territorial issues, receives approval. To ensure success and continuity in management both Europeans and Japanese have seen the necessity for personal control; Chinese business methods are in a class by themselves, and, although admirable in their way, and often superior to those of their Japanese rivals, are not easy of mastery by Europeans. For example, industries in China are either on a basis of single proprietary rights, or a system of partnership, and only in rare instances is there anything in the nature of a joint stock company. This is due to China being in the initial stage of industrial life, the development of modern enterprises still lying before her.

As merchants and traders the Chinese are outstanding examples of honor and devotion to a sense of their obligations. Their word is as good as their bond, and once an obligation has been incurred they never deny it. Cashiers of banks, and other institutions where

there is much money passing, are invariably Chinese, and as managers they are both quick and reliable.

The Chinese are not a people who indulge in extensive schemes, nor are they keen on development, whether it be of land or trade, to anything approaching the extent common in the West. Plans for the creation of public works, the exploitation of minerals, and opening up of vast coalfields, fail to interest them. In that respect there is no initiative, and the requisite driving force must come from Japan or the West.

On the other hand, the Japanese are a race of different caliber, despite the fact that both in mode of life, in dress, and in general aspect there is a strong resemblance. Like the Chinese, the Japanese are intellectual, and even amongst the lower classes the level of intelligence is at least as high, if not higher, than in other nations. They are extraordinarily adaptive, whilst their ingenuity and powers of application to new ways and means, and utilizing what they have learned from the West, are well known.

A dominating force with the Japanese is patriotism, an unknown quantity amongst the Chinese, amongst whom there is no public spirit or subordination to the common good, a great disadvantage to a nation in the making.

Permeating all classes of Japanese society, from the highest to the lowest, is a moral force that governs the conduct of the nation as a whole, a form of religion handed down through the centuries, a code of ethics that puts the state before the individual, inspires the

utmost courage in face of the enemy or in any situation where the good of the country is involved, whilst it teaches the recognition of authority and subordination of private interests.

This knightly code of honor dates back to an era long before the dawn of Christianity, but it is not so much a religion as a philosophy, that knows nothing of the bitterness of religious persecution. It confines itself to loyalty and devotion to those in superior authority, and to the imperial house in the person of the emperor, the representative of the oldest dynasty in the world, which goes back for nearly three thousand years. The Articles of the Japanese Constitution tell us that "the sacred throne was established at the time when the heavens and the earth became separated, that the emperor is heaven-descended, divine and sacred, that he is preëminent above all his subjects, and must be reverenced and remain inviolable."

The Japanese people are in accord with these sentiments, which account for the strength of what lies behind all their movements, and largely explains the underlying motives inspiring their actions in peace and war.

Although not original they are acutely imitative, and can assimilate with remarkable ease the outward and visible signs of Western civilization. Professor Nitobe in his authoritative work on Japan, declares it to be true that in a sense the Japanese certainly possess imitativeness. "What progressive nation has not possessed and made use of it?" "Just think of

how little Greek culture has originated on Hellenic soil! It seems to me that the most original—that is the least imitative people—are the Chinese, and we see where their originality has led them. Imitation is educative, and education itself is, in the main, imitation. We shudder to think what might have been our fate, in this cannibalistic age of nations, had we always been consistently original. Imitation has certainly been the means of our salvation."

Turning again to the resemblance between the Chinese and Japanese races, both sprang from the same Mongolian stock, and living as they do in such close proximity, have long been associated in peace and war, with the Japanese improving upon what they acquired from China and elsewhere. This *inter alia,* is notable in the lacquer trade in which Japan soon went ahead of her Chinese instructors, the art of porcelain making brought from Korea and developed in Japan to a far greater extent than was possible with the Koreans. There are other examples of this dual acquisition and improvement, not the least being the silk industry, which Japanese traders and observers brought from Europe and advanced to a state of perfection.

The Japanese are in evidence in the markets of China, and are found in all the important quarters, the military and naval schools imparting the knowledge originally acquired from the West, of which such remarkable use has been made.

We have seen the interest Japan has always evinced

in China, and how the republic has been traversed by agents inquiring into, and reporting on, commercial as well as political possibilities. It has also been shown that the future of Japan is largely dependent upon her retention of the Chinese market, and its expansion in her favor. Japan is unsuited for agriculture, and with an ever-increasing population she must seek her future in industrial development. To that end she is therefore engaged in transition from an agricultural to an industrial state.

The Japanese are slowly but surely growing in China, moving along with that country, and identifying themselves with the mainspring of its national life.

First-hand knowledge of China and Japan, more particularly with the parts of the Chinese republic which are the centers of activity, has revealed the steps taken to develop Japanese trade by the formation of banking institutions to finance it, and so prove a medium for Japanese commerce. In Mongolia the Japanese have been particularly active with a view to the acquisition of the old Russian rights. Great efforts are also being made there to gain a trading monopoly, and build up an unrivaled commercial position in East Asia.

We should touch briefly on the Russian aspect in the Far Eastern drama. Associated with either Chinese or Japanese the Russians make a strangely assorted couple, so different in thought and being,

and with an outlook on life which is the antithesis of their neighbors.

The Russian has never been *persona grata* in the East; his ways and methods have filled the Eastern people with alarm, he was too dominating, he paid scant attention to their feelings, and was scornfully oblivious of the rights and privileges they held in their own land.

With the passing of the old Russian régime we have to consider anew the relative positions of Russia and China, at any rate in the outlook for the future. We shall not attempt to analyze so vast a problem, since the possibilities of the future cannot be gauged.

In Manchuria the Russian influence has to a large extent been eliminated, and their prestige has fallen, the collapse dating from 1905, with the cumulative effect of all that has happened since that date.

The all-powerful factor in Manchuria to-day, moving with steady measured step and the organization that skill and forethought gives them, with a definite object, and determined to gain it, is Japan, who, endowed with the essentials in strength, tenacity, and a clearly defined purpose, is gradually assuming the paramount place in Manchuria and East Asia for which she has fought so hard and endured so much.

CHAPTER IV

MANCHURIAN TRADE TO-DAY

WITH the three essential factors—natural resources and fertility, foreign capital, and abundant supplies of labor—all available, the development of Manchuria, industrially and commercially, has in the past twenty years proceeded at a *tempo* which, so far as Asia is concerned, can be compared only to the meteoric rise of Japanese industry during the latter half of the last century. The guiding hand in the task of tapping the resources of these northern provinces has been the same. Whatever the motives which impelled the Japanese to devote their money and energy to fostering the economic growth of this richest region of China, it remains true that without the initiative and enterprise of the maritime nation, Manchuria would not occupy the position of economic preëminence in the Pacific which is hers to-day.

This economic importance is due primarily to an accident of history. True, her soil will always be fertile, and her natural resources, as detailed figures in this chapter show, are enormous. But the contrast between the wealth of Manchuria and the comparative poverty, in natural resources, of other parts of China, is directly attributable to the fact that until

recently Manchuria was a "virgin land" in which foreign trade was forbidden, and agriculture the only activity, whereas China proper, with its teeming population, was to a large extent "worked out" generations ago. While the Chinese drew out the mineral wealth of the empire, Manchuria remained empty, and her natural resources untapped. The province might have continued in that unchanging era but for the ever-expanding activities of the industrial nations in search of new markets, and the imperative need of the rising Japan to find fresh sources of food supply for her rapidly growing population, and outlets for the products of her factories. That double challenge unlocked the wealth of Manchuria and raised the region to a position of importance in the Far East which her rulers neither sought nor, perhaps, desired.

The measure by which one may gauge the economic importance of Manchuria to-day, and the rapidity of development in the past decade, is the soya bean. The soya bean, be it noted, would not have attained the position of importance it occupies on the balance sheet of Manchurian trade without the coming of the railways.

The part the railways have played in Manchuria has already been indicated; more than 3,700 miles of track have been built since 1897. Of this China owns half, Russia 1,070 miles, and Japan 700. In commercial importance, however, the Japanese-owned South Manchurian Railway occupies a com-

manding position, linking up the rich and fertile plains of the south with the modern port of Dairen—Manchuria's front door. The main coal, iron, and other industries are situated on this line.

The coming of the railways enabled the production of the soya bean to develop until it now constitutes 60 per cent of the entire Manchurian export trade. In 1929 the production of soya beans amounted to 221,000,000 bushels, or 5,300,000 tons, a figure exactly double that of fourteen years earlier. The soya bean and its by-products—oil and cake—are the foundation of Manchuria's prosperity and commercial importance. They are also one of the factors which have caused Japan to regard her commercial position in Manchuria as a matter of vital consequence to her people. For the Manchurian bean has assisted, to a greater degree than any other single import, in solving the pressing food problem of heavily populated Japan.

A *Report of Progress* issued by the South Manchurian Railway Company in 1931 shows that, of 4,721,000 tons of beans and bean products exported in 1929, 40 per cent went to Japan, 44 per cent to Europe, 13 per cent to China, and the balance to the United States and elsewhere.

Next to the bean which has made Manchuria famous, millet is the most important crop, the annual production amounting to 171,000,000 bushels, of which upwards of 14,000,000 bushels are annually

exported to Korea. Thus millet helps to solve the food problem in Japanese Korea.

Taking the figures for agricultural production as a whole, the amount of soya beans, millet, wheat, barley, oats, and rice has risen from 404,500,000 bushels in 1915 to 876,000,000 bushels in 1929, a remarkable achievement when it is remembered that during ten of those fourteen years the civilized world has been beset by economic difficulties, and that in most agrarian nations production has been falling. Moreover, this increased production has been attained by the development of only 25 per cent of the arable resources of Manchuria.

Final figures of agricultural production for 1930 are not yet available, but estimates compiled by the South Manchurian Railway give a total crop of all cereals, including rice, of 18,672,000 kilograms. Consumption in Manchuria for that year is estimated at 12,475,740, leaving a surplus for export of 6,196,260 kilograms—an increase over the 1929 surplus of 700,000 kilograms. And there is every reason to believe that this increase in the cereal output of the Three Provinces continues.

A glimpse of agricultural development in the future is contained in the following forecast made by Mr. Putnam Weale: "Chinese agriculture in Northern Manchuria will soon not be merely confined to winning over to the mattock and the plow the whole of these thirty million acres (on the Sungari and Nonni), it will steadily invade the vast area of

Northeastern Mongolia—the Inner Mongolia of the geographers—and will bring all the rich grass country lying east of the Gobi Desert under painstaking cultivation. Already it is calculated that the Chinese agricultural belt is advancing on the Mongols and their wandering flocks at the rate of thirty *li,* or twelve miles a year. In fifteen or twenty years the spade and mattock will have captured millions of acres, and bound them tight to the Chinese system of bounteous crops; and much of the harvest of those fields will be available for export. Thus a wheat-belt, contemptuous of political and geographical labeling, will grow up in these latitudes to be almost as remarkable as the Canadian Northwest, or the ever-expanding West Siberian grain districts; and this belt will be exploited in times of stress by those who, without possessing any legitimate right of eminent domain, have their money-bags lying ready, and their soldiers in the immediate background."

Only the building of more railways is needed to make that prediction come true. Since the prophecy was made the agricultural production of Manchuria has enormously increased, and shows a consistent rise. Its momentum is supplied by the hard work of the most skilled cultivators in the world, the Chinese farmers who, as Sir H. E. M. James has stated, "get up at two in the morning, work with hardly any intermission until dark, and then go to bed at once, so as to rise again early the next day. The result is

marvelous. Instead of the seed being scattered broadcast, it is carefully planted in ridges at regular intervals apart, and the cultivator is forever weeding, hoeing, or irrigating, so that each head of grain develops like a prize plant."

Modern improvements and implements are, however, still lacking. The soil of Manchuria is lightly worked and artificial manures have only recently been introduced. The result is that those same peasants who are responsible for the phenomenal increase in Manchuria's total production, live from hand to mouth, a bad harvest being still a disaster of the first magnitude.

Turning to mineral resources, a survey by the Geological Institute of the South Manchurian Railway Company states that "coal, iron, magnesite, fireclay, and talc are most important in quantity, and second to these are gold, copper, lead, barytes, feldspar, and asbestos."

Manchuria possesses forest areas estimated to total 88,798,872 acres. This timber reserve is situated in the northern portion of the Three Provinces, the forests of the south having been destroyed, as already stated. The output of the lumber industry in 1929 was 38,684,000 cubic feet, a figure which is capable of wide expansion.

The estimated deposits of workable coal are 1,200,000,000 in the south, and a further 500,000,000 tons in the north. The gross annual output of the Fushun

and Yentai mines, operated by the Japanese, is 7,000,000 tons.

Manchuria is rich in iron, one estimate crediting her with 400,000,000 tons of this mineral beneath her soil, mostly in the Mukden province.

Two further sources of natural wealth must be mentioned. The number of persons engaged in the fishing industry within the territory leased to Japan alone is 30,000 Chinese and 141 Japanese, and the annual catch is valued at 4,682,000 yen. In addition the annual catch in Northern Manchuria is estimated to yield over 1,000,000 pounds deadweight.

Finally, the output of salt has increased ten times in the past twenty-three years, and now totals 900,000,000 pounds a year.

Even more significant than the development of these natural resources has been the transformation, under Japanese guidance, of Manchuria from an agricultural to an industrial nation. Forty years ago the Chinese in the Three Provinces, as has been said, were engaged almost entirely in agriculture; the soya bean provided oil for food and light, flour was ground, coarse silk was spun from the wild cocoon. Otherwise life—and the standard of living—remained as it had been for centuries under the Manchus.

In 1861 the opening of Newchwang as a port for foreign trade heralded the coming change. The Japanese, especially, pressed home the advantage thus gained, and eventually secured an agreement with

China opening twenty-four ports and cities to foreign traders, including Harbin, Manchouli, Argun, Suifenho, and Liaoyang. In 1907, following the Russo-Japanese War, Dairen, in the Leased Territory, was opened by Japan as a free port and the terminal of the South Manchurian Railway, and it has remained until to-day the principal port for Manchurian trade and one of the leading trade centers of East Asia.

These developments had far-reaching effects upon Manchuria's commercial importance. Whereas in 1907 the total trade of the Three Provinces was six per cent of China's foreign trade, by 1929 it had increased to 20 per cent. Manchuria's trade has expanded over sixteen times since 1900, and Dairen's share is now 66 per cent of the total, an impressive indication of the results of railway construction and the initiative of foreign traders, particularly the Japanese.

A further indication of the predominant rôle assumed by the Japanese in Manchuria is afforded by the figures of factory development within the area under Japanese jurisdiction:

	No. of Factories	Capital Invested	Value of Products (in yen)
1909 .	152	16,132,101	6,138,792
1914 . .	244	24,536,830	20,799,196
1919	450	123,571,509	242,882,798
1929	789	302,080,061	126,915,076

In Northern Manchuria there are approximately 600 factories and mills, of which 150 are bean-oil and 52 flour mills.[1]

The personnel needed to staff this rapid increase in industrial activity has come almost wholly from China. Coolie labor is provided in abundance by the continued and rapid migration of Chinese to Manchuria, and even in the Japanese zone more than 93 per cent of agricultural workers, 96 per cent of miners, and 88 per cent of factory hands, are Chinese. The latest figures available show that in 789 factories within the Leased Territory, railway zone, and Japanese consular districts, 1,551,517 employees were Japanese and 12,019,802 Chinese.

So far as the factories and industries affect Manchurian export figures, they are concerned only with the staple crops of the country, such as the soya bean. Silk and cotton spinning factories have been established, but up to the present their output is not sufficient to materially affect the imports of these goods.

The oldest as well as the most important manufacturing industry in the Three Provinces is the bean-oil mills. In 1929, 465 mills produced 2,200,000 tons, including 200,000 tons of oil.

The tobacco industry, with Mukden as its center, has an annual production of 56,000,000 pounds, and in 1929 exported tobacco leaf and cigarettes valued

[1] These figures are quoted from Reports issued by the South Manchurian Railway Company in 1931

MANCHURIA'S NATURAL WEALTH

Open cuts at the great Fushan Colliery, developed by the Japanese

at 1,980,000 taels. In the same year, however, Manchuria imported tobacco worth 17,000,000 taels, and the aggregate consumption of cigarettes in Manchuria is 7,600,000,000. While therefore many tobacco factories are in operation it is unlikely that Manchuria will ever be an exporting country so far as tobacco is concerned.

Another ancient industry which still flourishes is the distilling of the native kaoliang spirit, but this, again, does not affect the figures for external trade.

Manchuria owes the introduction of the modern fabric industry to the initiative of the Japanese, who established the first silk spinning and weaving factory at Antung in 1919. Since that date about one hundred smaller wild silk filatures, operated by Chinese, have come into operation, the total production being valued at 46,540,000 yen per annum.

More important is the rise of the cotton industry, a growth which finds its counterpart throughout the Far East, in China, and Japan.

The first modern spinning mill in Manchuria was erected by Chinese at Mukden in 1921, with 10,000 spindles, which was later extended to 25,000. Subsequently three further mills were opened by Japanese firms—the Manchurian Cotton Spinning Company with 31,360 spindles at Liaoyang in 1923, a mill owned by the Naikai Cotton Company of Osaka at Chinchou in 1924 with 24,000 spindles, and a third at Dairen in 1925 with 17,664 spindles. In addition to these large undertakings, there are nearly

two hundred smaller mills in Manchuria, mainly owned and operated by Chinese, the total output, according to the most recent figures available, being valued at 8,000,000 taels.

The remaining factories in the region are occupied in brick-making, glass-making, and subsidiary manufacture. There are also many small industries working for local consumption only. The woolen industry, for example, includes the manufacture of carpets and rugs from imported Mongolian wool, felt boots and other felt goods. Carts and wheels are manufactured, and junks are built in large numbers in the neighborhood of Kirin.

In only one case has an attempt to extend the industrial activities of Manchuria ended in failure. As long ago as 1906 efforts were made to found a sugar-beet industry at Mukden. Although climatic conditions and soil were suitable, the "open door" to foreign trade, and competition of world prices, compelled the abandonment of the enterprise, operations being suspended in 1927. Since that date, foreign imports of sugar have rapidly increased.

Of greater significance to the nations concerned with the present Manchurian crisis is the import trade.

The Customs returns for Manchurian ports show that cotton goods are still the leading item in the bill which Manchuria pays the world each year for its products.

The total imports in 1929 amounted to 329,000,-

000 taels, of which 80,000,000 taels were cotton goods, including yarns.

During the period when Newchwang was the only port open to foreign trade, Britain enjoyed a virtual monopoly of cotton imports; later, the United States moved up to first place. For a quarter of a century, Japan was not a serious rival of either nation. But her geographical position gave the Japanese an advantage they were not slow to seize, and when to this factor was added the infiltration of Japanese capital and interests into Southern Manchuria, especially after 1905, the position underwent a radical change. Prior to the Great War, which crippled her European competitors, Japan had virtually secured the entire import trade in cotton goods, apart from the best qualities. Following the war, the effects of the rapid development of cotton mills in China began to be felt, and now 35 per cent of cotton imports into Manchuria emanate from that country, placing China second to Japan.

It should be remembered, however, that during the same period the total Manchurian import trade has considerably increased, explaining the fact that while Britain and the United States have lost to the yellow races in the cotton goods trade, the total quantity of their imports in other industries has increased. "Imports of machinery, iron and steel goods, oil, woolens, and flour from the United States and Europe are steadily increasing," states the Report of the South Manchurian Railway Company. The Cus-

toms Returns tell the same story. Thus imports from the British Empire have risen in value from 2,693,000 tatels in 1908 to 26,200,000 taels in 1929, imports from the United States from 6,775,000 taels to 25,600,000 taels in the same period, and from Germany 151,000 taels to 8,500,000 taels.

Almost the whole of this export and import trade passes through three ports, Dairen, Newchwang, and Antung, the following figures for 1929 indicating the supremacy of Dairen:

Port	No. of Ships Entering	Tons Cleared
Dairen	8,211	14,056,392
Newchwang	1,711	1,803,527
Antung	908	489,554

In addition, Vladivostok, the terminus of the Chinese Eastern Railway, handles annually one and a half million tons of products from Northern Manchuria.

The construction of a new harbor at Hulu-tao, on the Pechibili Gulf, was planned as long ago as 1908, and work actually commenced in 1910 after the subscription of British capital amounting to £800,000. The Chinese revolution, and later the European war, held up the work, nothing being done until 1930, when a new contract was entered into with the Netherlands Harbor Works Company.

Dairen, originally the Russian port of Dalny, is a typical example of Japanese commercial enterprise. Although approached by a channel sufficiently wide

and deep to admit steamers at any state of the tide, its commercial possibilities were not fully developed while in Russian hands, probably due to lack of time and to Russian interests in Manchuria being more political than industrial.

Under Japanese control Dairen has developed into a modern and fully-equipped port, increasing in importance with every step of Japanese commercial and industrial activity in Southern Manchuria.

The port can accommodate the largest ocean-going steamers, its wharves are nowhere less than 350 feet wide, provided with electric light and steam cranes, while the South Manchurian Railway conveys goods alongside the steamers. There are also thirty warehouses, covering twenty-five acres, available for the storage of cargo.

As a further contrast with the Chinese cities of Manchuria, Dairen possesses electric light and tramways, waterworks, a modern drainage system, and macadamized roads.

Surveying the trade of Manchuria as a whole, it will be seen that Japan is still supreme both in imports and exports, the natural outcome of her dominant and privileged position within the Three Provinces. As the owners of the most important railway line, of the main port, and as the architects of Manchurian industrial development, in fostering which they have lavished skill and money, Japanese interests are too firmly entrenched for other nations, not enjoying the same facilities, to seriously dispute them. What that

predominant position means to the Japanese nation, both in money and raw materials, and at what cost it has been attained, will be shown later in this chapter.

Here it need only be added that Japan purchases more from Manchuria than she sells in that region. In justice to Japanese interests, it must be admitted that the chief beneficiaries of Japanese enterprise in the Three Provinces, and of the more secure conditions of life which Japan has brought to the area within her influence at a period when other parts of China have been decimated by civil war and rival armies, have been the Chinese themselves, especially those Chinese who have migrated to Manchuria.

Since 1905, order and security for life have been preserved without serious interruption, a state of affairs for which the Japanese authorities are entitled to their share of credit, but not, however, to all of it. Subsequent to the formation of the Chinese Republic, Manchuria enjoyed a position almost of independence under the rule of Marshal Chang-Tso-Lin, a ruler who for twenty years applied the remedy of immediate execution for the crime of banditry within his territories, and whose favorite question to foreign visitors in Mukden was, "Where in China are human life and property safer than in Manchuria?"

Under the combined rule of autocratic war lord and Japanese Consuls, the standard of living in Manchuria has steadily risen, despite the large annual influx of new settlers. Prior to the Russo-Japanese

War bean-oil was the only method of illumination and sugar was almost an unknown luxury. In more recent years imports of sugar and oil have increased rapidly. Again, the standard of dress of Manchurian women has improved. Formerly cotton piece goods weighing about 17 pounds per bolt were the universal wear, but the weight of such goods has decreased to 12-13 pounds, significant of more prosperous conditions.

The importance of that rapidly growing trade, and Manchuria's abundant supplies of raw materials to Japan, may be gauged by the nature of the concessions which the latter has sought and obtained in the Three Provinces.

She has complete control of the most important railway system, of all mining and timber resources in partnership with the Chinese, to the exclusion of all other nations, whilst only Japanese have the right to carry on industrial undertakings. The powers accorded to Japan permit her to veto construction of any line which could compete with the South Manchurian Railway, and gives the right of extension and construction within that area. Only Japanese settlers are permitted to establish themselves within the railway zone, but Japanese may reside and trade wherever they wish in Southern Manchuria. In effect, Japan has secured a position of complete economic ascendancy within the region. How, then, has that position been used, and what does it mean to the Japanese people?

Manchuria affords an outlet, although a limited one, to her population. The South Manchurian Railway provides employment for about 20,000 Japanese, and the total Japanese population in the Leased Territory and railway zone is 250,000 (1930) compared with the Chinese in the same area of 1,300 square miles of 1,080,000.[1]

The continued influx of coolie labor from China has prevented any large-scale movement of Japanese labor to Manchuria, most of the Japanese engaged in industry being skilled workers and overseers of Chinese laborers.

Japan has not attempted to utilize her extensive Manchurian interests to flood the region with her surplus population: the Japanese peasant cannot compete with the Chinese laborer. Rather does she regard the Three Provinces, and especially the area adjoining the South Manchurian Railway, as an outlet for the energies of her overcrowded professional classes, a virgin field for the brains of her industrialists, for the investment of her capital, and, most vital of all, as a reservoir of the food and raw materials which are the mainspring of the Japanese nation, which, be it remembered, must import one-fifth of the food needed for her people.

If the Japanese grip upon her gains in Manchuria has been tenacious, and occasionally arbitrary, viewed by Western standards, the reason is that Manchuria

[1] The area under Japanese jurisdiction contains a population of over 875 per square mile, compared with an average of 76 per square mile in Manchuria as a whole.

and its products are irreplaceable if she is to remain a leading industrial and military power in the Pacific. The "open door" in Manchuria means to Japan what the "freedom of the seas" means to Great Britain. Events may from time to time dictate a watching policy, or prevent a forward thrust, but retreat from her privileged position is impossible without seriously weakening her power.

The pivot around which revolve all Japanese interests in Manchuria is the South Manchurian Railway Company. The development of this line during the past twenty-three years affords an index to the effects of Japanese industrial development in the region. The number of passengers carried has increased sixfold, and the tonnage of freight handled more than eighteenfold, as follows:

Passengers	1907-8	1929-30
First Class	39,152	13,473
Second Class	925,493	159,536
Third Class	547,586	10,237,780

Freight in Tons	1907-8	1929-30
Coal	165,521	9,850,882
Beans	202,857	3,296,534
Flour	12,410	240,443
Salt	47,012	185,960

The annual production of iron at the Southern Manchurian Railway Company's works at Anshan was 210,443 tons in 1929-30. The same company

owns and operates electrical undertakings at Dairen, Mukden, Changchun, and Antung, the power supplied by the Dairen station being 84,098,492 k.w.h. in the same year, while the total output of the four undertakings rose from 21,722,434 k.w.h. in 1917-18 to 142,218,913 in 1929-30.

Of the total trade of Manchuria, 40 per cent of both exports and imports are in the hands of the Japanese. The following are the figures for 1929 in Haikwan taels:

	Imports	Exports
British Empire	26,218,114	28,820,754
Japan	138,750,134	168,858,511
Russia	15,747,789	40,282,245
U. S. A.	25,922,001	12,167,357
Germany	8,534,228	1,420,150
China	99,542,731	93,143,327

Total: Imports, 329,603,731; exports, 425,651,491.

A further and impressive indication of the extent of Japanese interests is afforded by the details of their investments in Manchuria. As was the case with both China and Russia, foreign capital has played an important part in the opening up and development of Manchurian industry. Most of the railways were, as has been noted, built by foreign Powers or with the coöperation of foreign capital. The South Manchurian Railway on several occasions issued debentures on the London market, the total raised in this way being £14,000,000. The Chinese Eastern Rail-

THE BEAN THAT MADE MANCHURIA PROSPEROUS
Soya beans awaiting shipment at the Japanese port of Dairen

way was built mainly with French and Belgian capital, while the Manchurian section of the Peking-Mukden Railway was constructed on a British loan amounting to £2,300,000. Several Chinese-owned lines, on the other hand, were built with the aid of Japanese capital.

As in the case of railways, so the factories, mills, and mines were developed in coöperation with the foreign, and mainly the Japanese, financier. Japan needed raw materials and an outlet for her trade, Manchuria was rich in resources but poor in pocket. Thus began a partnership resulting in the investment up to 1931 in Manchuria of over 2,147,000,000 yen of Japanese gold, with dramatic repercussions on the peace and future prospects of the Far East. According to the latest return available from Japanese sources, this capital is invested as follows:

	Yen
Railways	261,882,378
Harbors	78,093,974
Coal mines	112,276,860
Oil shale plant	8,961,174
Iron works	27,127,139
Municipal undertakings	143,767,667
Loans to Chinese Government (direct)	98,730,823
Capital Funds invested by Japanese companies	439,003,410
Capital Funds invested by individuals	94,991,560

It is not difficult to imagine, in view of the heavy commitments in Manchuria revealed by the above table, that the Japanese Government could not view with equanimity any spread of banditry, Communism, or chaos from China to Manchuria, threatening the very existence, in addition to the profit-making power, of her investments in that region.

But an additional and vital reason, apart from any fear for the safety of her capital invested, may have dictated recent Japanese policy. A nation's industrial power in time of war is predetermined by its industrial power in time of peace. In war, or even if there is the remotest possibility of it, the abundance of raw materials plays a more important part than almost any other single factor making for national safety.

Japan, in the event of a Pacific conflict, would to a large extent be dependent upon raw materials drawn from Manchuria, three provinces belonging to another Power which might attempt to close this natural storehouse to her. This fear, more than purely commercial considerations, may be held to explain the forward policy pursued by Japan in Manchuria since 1905. Japan wishes, without actually proclaiming the annexation of Manchuria, to so consolidate her position there, as economic overlord, that China will not dare to close that open door in her face. Japanese diplomacy, from the presentation of the famous Twenty-one Demands, has been based upon that simple fact. Time has been on her side,

for as China, distracted by civil war and Communism, has grown weaker, the Japanese grip upon the rich plains and mineral wealth of Manchuria has strengthened.

For the present that interest yields dividends and trade; but the time may come when much more than trade may depend upon whether or not those goods trucks, piled with the produce of Manchuria, arrive punctually on the quays at Dairen.

Coal, iron, and petroleum are all vital to Japan's existence. Her island home is deficient in all three, but they exist in Manchuria, the natural storehouse adjacent to her own shores.

Let us for a moment leave Manchuria, and by looking at Japan, see what the Three Provinces mean to her people, taking first the food supply. Manchuria provides Japan with cereals, animal products, and soya-bean cakes, which still rank first among the fertilizers imported for maintaining the production of Japanese farmlands. Iron, coal, petroleum, and salt are all problems for the rulers of Japan. She can draw supplies from Manchuria which, if not sufficient to solve the problem, will at least ease her anxiety.

The deposits of iron ore in Japan are estimated to be about 83,000,000 tons. There are a further 123,000,000 tons in Korea.

At present Japan draws large quantities of iron ore from China and the Malay States, but if communications were interrupted, then those new and

up-to-date mines along the South Manchurian Railway, the deposits in which have at present hardly been scratched, would be vital to her existence.

With regard to coal, Japan has a total reserve of ten billion tons, of which, however, only three billion tons are actually workable. Her consumption in 1927 was 34,196,000 tons, and it is increasing at the annual rate of 0.5 per cent. In another thirty years, therefore, Japan's native coal resources will be nearing exhaustion, while her need will be more pressing than ever. Once again, Japan looks to Manchuria to overcome the problem with which nature has presented her Government. According to investigations carried out by the South Manchurian Railway Company, the coal reserves in Liaoning and Kirin amount to 1,162,762,000 tons. There exist another 496,887,000 tons in Northern Manchuria, and yet another reserve estimated at 1,255,000,000 in the eastern part of Inner Mongolia. Thus the coal reserve of Manchuria and Mongolia is colossal. More than that, it is irreplaceable in the Far East, and the Power controlling those coalfields can, in time, settle the industrial fate of Japan.

Now as to oil. Japan needs large quantities of petroleum, almost all of which must be imported. Where to turn for it more naturally than to Manchuria, since one oil deposit at Fushun is estimated to contain 5,500,000,000 tons? The cost of mining this shale oil is low, the deposits being sufficient to provide

Japan with all the oil she needs for the next three centuries!

Therefore the Fushun Colliery loses no time in putting up eighty units of ovens for dry distillation at the expenditure of 7,500,000 yen, the capacity being 2,000 tons of shale a day. Every year the following products will be turned out:

Crude Oil	26,500	tons
Ammonium Sulphate	6,400	"
Wax	6,500	"
Coke	2,200	"

Thus Japan hopes to solve her fuel problem.

As for salt, Japan produces only two-thirds of her annual requirements, being dependent for the balance upon the salt industry established at Dairen and Port Arthur.

Magnesium is indispensable for making light metal alloys, without which aëroplanes cannot be constructed. Manchuria possesses extensive deposits of magnesite, from which magnesium can be obtained.

It is true that large reserves of iron, coal, and other minerals exist outside Manchuria, especially in China proper. That is one reason why Japan has sought gains from China by the method of economic infiltration, rather than by taking direct advantage of China's comparative weakness. But from the day when Japanese eyes turned towards Manchuria, lying north of the Great Wall empty and neglected, it became the natural and most easily accessible source of

future supply. Just as imperial Russia looked for concessions there to provide an ice-free port and naval base on the Pacific, so imperial Japan sees in an orderly development of Manchurian resources, under Japanese direction, the one sure source of continuing strength in the Pacific. For in time of war, if war came, Japan must count upon Manchuria or perish.

This does not mean that there is anything reprehensible in Japanese ambitions. All great Powers are forced by the law of self-preservation similarly to look ahead and safeguard the source of their supplies. Indeed, up to the present Manchuria owes much to Japanese initiative, which has not only assisted in the development of her resources but has further provided a natural outlet for them. But for the presence of Japanese in authority, particularly in the South Manchurian Railway zone, Manchuria, like China proper, would have relapsed, at any rate temporarily, into a condition of chaos and civil war and damaged her trade for a generation. The position the Japanese occupy in the industrial life of Manchuria is a guarantee of orderly progress. Thus, while over China as a whole trade has been declining owing to the spread of banditry, Communism, civil war, excessive taxation, and the depredations of rival armies, Manchuria has gone ahead.

Although her trade figures for 1930 show a decrease, owing to general world depression, it is a remarkable tribute to the importance of the region

that Great Britain's share in Manchurian trade increased more than ten times in the past twenty-two years, that of China proper with Manchuria five times, and her trade with the United States nearly six times. According to the 1928 figures, Manchurian trade with Soviet Russia had increased fivefold, but these were followed by a sharp decline in the following year, and the most recent figures show an increase of 300 per cent only, for reasons requiring no explanation.

Solid gains such as these—law and order, improving trade, a rising standard of living—are not achieved without a *quid pro quo*. In Manchuria it took the form of an ever-increasing hold upon the country by the Japanese, a hold that acknowledged a certain limit during the lifetime of the sturdy Marshal Chang-Tso-Lin, but which has, since his death, become more apparent. In fact, as the Japanese military activities of the autumn of 1931 revealed, it is but one step removed from virtual control of the entire region by Japanese troops.

It was not to be expected that a proud and ancient race like the Chinese, remembering those Twenty-One Demands and pin-pricks in Shantung and elsewhere nearer home, would accept such a position without demur. Nor did they. Material for misunderstanding and strained relations was abundantly present, and the violent outburst of propaganda which student China launched, following the entry of Japanese troops into Mukden on September 18,

1931, showed how deep was the sense of grievance felt by Chinese patriots over Japanese "aggression."

Without going into this question, discussed in another chapter, it may be said that the Chinese protested too late. For over twenty years Japan has been the virtual ruler of the key-positions in Manchuria; her brains, capital, and industry have enriched an erstwhile empty region and exalted it to a position of world-wide importance. It would now not only be unreasonable, but futile, to expect the Japanese to withdraw. That being the position, the statesmanlike course is to seek a formula enabling the development of Manchuria to continue, for the enrichment alike of both Japanese commercial interests and Chinese inhabitants. Were China herself enjoying the advantages of orderly and settled government, such a course might gain common acceptance in view of the community of interest which should exist in Manchuria between the two races. Unhappily, past events and present necessities make agreement more difficult. At the same time, it cannot be said that the Japanese military commanders who launched the "offensive" last autumn improved matters. To-day the world is faced with a new fact, in the form of an essential conflict between Chinese aspirations and Japanese policy in Manchuria. How this antagonism has arisen in an area where, in the past, a common partnership has yielded such rich results, will now be examined.

CHAPTER V

THE ESSENTIAL CONFLICT

THE present situation in Manchuria—a phase only distinguished from open warfare by the fact that China can offer no effective military opposition to what is virtually a Japanese Protectorate over Manchuria—arose out of two specific "incidents." These were the damaging of the South Manchurian Railway lines north of Mukden at 11 P.M. on September 18, 1931—according to Japanese versions the tearing up of the rails being the work of Chinese troops—and the murder, in June 1931, of a Japanese army officer, Captain Nakamura, while traveling in disguise in Mongolia.

But the murder of Captain Nakamura—like the assassination of the Archduke Francis Ferdinand at Serajevo in July 1914—and the sabotage on the South Manchurian line were in reality merely the culminating point in a situation of increasing tension and strain, for the origin of which we must refer to the Treaty of Portsmouth, which established Japan in an industrially dominant position in these three northern provinces of China.

Those conversant with the temperaments of the two nations, each suspicious of, and antagonistic towards, the other, saw in that Treaty the seeds of

future conflict. And events in China since the fall of the Empire have increased the feeling of hostility towards Japan to the point of open hatred—an organized "hate" which it was inevitable would produce its most violent and dangerous repercussions in Manchuria.

To the Japanese, the maintenance and even extension of their industrial interests and privileged position in Manchuria, and the continuance of orderly government in the Three Provinces, is essential to their national security. It is essential for the protection of her vast financial investments there. But these considerations alone do not explain why Japanese public opinion supported and applauded the swift action taken by their army commanders in September 1931, support so unanimous that it definitely prevented the Japanese delegate from making any real concession during the negotiations conducted by the League of Nations Council at Geneva and Paris.[1]

For the reason behind that display of national unity it is necessary to look back to 1905, when those very concessions and privileges which the Japanese people believed to be endangered by the hostility of China were gained in the war with Russia, at a cost to the Japanese people of 200,000 lives and 2,000,000,000 yen of gold. That war, say the Japanese, was fought by Japan to recover Manchuria and Mongolia from the clutches of Imperial Russia. It was fought with China's willing consent. It did not cost

[1] See Chapter IX

the Chinese one man or one penny. Japan won the war, and Manchuria returned to Chinese control, Japan retaining, in return for her sacrifices of blood and treasure, only those limited interests which she has since that date developed so effectively. On that fact is based the Japanese view that she is entitled to special privileges in Manchuria; the memory of her sacrifices and the knowledge of all that Manchuria means to modern Japan account for the depth of public feeling which would have destroyed any Japanese Government that suffered encroachment on her special interests without protest.

A new and ambitious Chinese Republic, on the other hand, conscious of a patriotism which sometimes tends to ignore realities, and impatient of all foreign "rights" and treaties inherited from the past, regards the existence of Japanese privileges in Manchuria, and the presence of Japanese troops, even as railway guards, on Chinese soil, as an affront to the Republic. Ignoring history and the niceties of diplomacy alike, the Kuomintang Government has permitted, or been unable to restrain, a prolonged campaign of hostility against Japanese subjects and Japanese trading interests, both in China and Manchuria. Hence boycotts against Japanese goods, demands for the abolition of the "unequal treaties," diplomatic delays, and open breaches of treaty obligations which have become irksome with the changing sentiment of the Chinese people. Hence numerous "incidents" outstanding

between the two nations for which satisfaction and settlement are alike denied to Japan.

There is evidence of growing hostility between the Chinese Government and their Japanese neighbors over a period of years. The Japanese complain of an "attitude of contempt" which may, perhaps, date back to the presentation of the famous Twenty-one Demands to Yuan Shi Kai in 1915.

But more serious than official disdain is the growth of anti-Japanese feeling among the Chinese people, evidenced by the demands of Chinese students for the expulsion of the Japanese troops from Manchuria by armed action, at the very moment when the Chinese representatives at the League of Nations meetings were advocating peaceable League investigation of the crisis.

With these conflicting sentiments stirring the opposing yellow races to open antagonism, and solemn treaties being disregarded on both sides, the essential conflict came to a head. But not before a long series of "pin-pricks" had acerbated feelings of the Japanese to a point when they genuinely believed that only strong action would preserve their position in Manchuria, and maintain law and order in that region.

The two events which caused the Japanese authorities to take action have already been mentioned. But behind these two events were over three hundred cases of disagreement between the two nations in which any satisfactory settlement had been withheld, in

some cases for years. These outstanding issues concern railways, residental rights, leaseholds, tariffs, and unjust taxation, and, because of the part which they played in producing friction between the rival authorities in Manchuria, some details are essential if world opinion is to form an unbiased judgment of the Japanese case.

We have already pointed out the vital importance of railways in the development of a country like Manchuria. Where there runs an efficient and well-managed service of goods trains, there development is rapid. Where transport is still confined to the wagon and mule team, the land cannot reach its highest productivity.

Japan's greatest gift to Manchuria has been the efficiency of the South Manchurian Railway, the main artery of trade and the mainstay of her interests in that region. And it is against this railway that China's antagonism has primarily been directed. To this end China has attempted an aggressive policy aiming at the construction of a network of lines in the same region, which would, when completed, draw off a large share of the traffic at present carried by the South Manchurian line and in time reduce this Japanese investment to a position when further profitable working or extension would be impossible.

The Chinese say, and it is fair to add that many foreigners agree with them, that any railway built in the Far East, strategic or otherwise, is a gain in a region which is still extremely short of transport.

While that may be true, it is surely fair to add that any funds available would be better invested in opening up regions at present entirely devoid of railway facilities, rather than in building lines in the one district of Manchuria already adequately served—building those lines, moreover, from political motives rather than under any spur of economic necessity.

Policy apart, however, the building of any line in the vicinity of the Japanese railway zone is a direct breach of the protocol attached to the Treaty of Peking concluded between China and Japan in 1915, in which China undertook not to construct any railway line "in the neighborhood of and parallel to the South Manchurian Railway" while that line remained in Japanese possession.

Despite this agreement, signed since the fall of the Empire, the Chinese announced their intention of constructing a line connecting Chinchou and Aigun, and other lines at two points, and ignored all protests made by the South Manchurian Railway Company.

On the other hand, an agreement embodied in the Convention relating to Chientao signed between the two countries in 1909 provided for an advance by three Japanese banks of 15,000,000 yen for the construction of a railway between Kirin and Kainei on the coast of Korea. A contract for the building of this line was signed in 1928, but the line is still incomplete—there being a gap of 66 miles between the two railheads. The construction of another line

between Changchun and Taonan was the subject of an agreement signed in 1918. But work has not yet been started.

In the same agreement respecting railway development in Manchuria, a syndicate of Japanese banks undertook to provide funds for the construction of a railway from Kirin to Kaiyuan. The Chinese authorities built this line without notice to Japan, as provided in the agreement, and, further, connected it up with the Peking-Mukden line, thus providing a main line in direct opposition to the South Manchurian Railway.

All these points, affecting the development of Manchurian trade, might have been settled without friction given good will on both sides, and had the Chinese observed the agreements signed by their representatives. Taken together, however, they must, in the light of events, be regarded as a contributory cause of the acute tension which precipitated events and brought the two yellow races into open conflict.

The history of Japanese financial relations with China has not been of a nature calculated to ease that tension.

Japan invested 37,000,000 yen in the construction of the Ssupingkai-Taonan Railway, controlled by China. In June 1929 the Japanese shareholders were asked by the Chinese authorities to accept a reduction in the rate of interest paid on the loans below 7 per cent, and subsequent negotiations failed to produce any agreement. Similarly, a short term loan advanced

in connection with the same railway matured in 1926. The South Manchurian Railway, which had advanced this money, approached the Chinese authorities with a view to renewing the investment, but the Chinese evaded the issue. Later a demand was made for a reduction in the rate of interest. Here again, no agreement has been possible.

More important, judged by its effects upon Sino-Japanese relations in Manchuria, was the building of the Taonan-Anganchi Railway. This line was constructed by the South Manchurian Railway Company and handed over to China in July 1926. Five years later the Chinese authorities had neither paid for the construction of the line nor the rolling stock furnished by the Japanese. Nor had they, in accordance with the agreement signed before the work began, converted the debt into a railway loan within one year of the completion of the work. Thus the Japanese capital sunk in this enterprise six years ago has remained unproductive, and all efforts to reach an agreement have failed.

Further, the agreement under which this railway was constructed provided that the Japanese adviser to the railway should be in charge of all accounts, and should have access to the balance sheet. The Chinese chief of the accounting department refused to honor this agreement, and when the period of office of the first Japanese adviser came to an end, the papers authorizing the appointment of his successor

remained, under various pretexts, unsigned by the Chinese departmental director.

In various other cases concerning loans advanced for the construction and reconditioning of railways, questions of interest and repayment remain unsettled after three or four years, during which the Chinese have evaded every attempt to reach a settlement.

With this spirit in evidence where important matters of construction and finance are concerned, it is not surprising that in smaller matters, such as arrangements for the interworking of Chinese and Japanese railways, the building and staffing of junctions between various lines and so on, similar friction and delays have been experienced. An accumulation of incidents has convinced the Japanese that it is the considered policy of the Chinese Government to make any further development of Japanese enterprise impossible and progressively to sterilize existing Japanese interests. Unfortunately, friction in other spheres supports this view.

Even more significant of Chinese hostility to Japan is the attitude adopted by the Chinese Government of Manchuria during recent months to those "rights of residence and travel" in South Manchuria and Eastern Inner Mongolia secured for Japanese subjects by Article 3 of the Treaty of Peking. Despite the clear wording of that clause, a policy designed to make it impossible for any Japanese subject to reside outside the Japanese consular area has been pursued for some time past. That policy is expressed in two

ways; by direct notice to quit, presented to Japanese residents, and by threats, on the part of the authorities, against any Chinese subject who leases house or land to a Japanese or Korean subject. Chinese subjects who ignore such instructions have in some cases suffered imprisonment or even, according to some reports, death.

How strong is this silent unseen pressure against Japanese subjects and interests is clearly revealed by the official orders issued by the Governor of Mukden. These instructions, which applied to the walled city, provided that:

(*a*) No contract for the lease of a house to any Japanese subject should be renewed;
(*b*) That all contracts unexpired should be revised in order that they terminate within 3 years.

Further instructions issued by the Governor of Mukden in January 1931, prohibited Chinese from letting any house to Japanese, or to extend any agreements or leases with Japanese subjects.

The usual method of enforcing these instructions was for the Chinese landlords to demand such drastic increases in rent, when any lease expired, that the tenants found it impossible to reach agreement. The effect of such discrimination is shown by the fact that in 1927 there were at Mukden 134 houses occupied by Japanese subjects, whereas by 1931 the number had been reduced to less than 20.

Nor is this form of intimidation confined to Mukden, until the Japanese occupation the headquarters of the Chinese Government in Manchuria. It extends to all parts of Manchuria outside the Japanese zone. At Taonan, one of the cities opened to foreign traders by China after the formation of the Republic, an order was issued on April 7, 1929, in the name of Marshal Chang Hsueh-liang, prohibiting Chinese to lease or sell property or land to Japanese subjects. An inn under Japanese management, the lease of which was due for renewal three days after the signing of this order, was refused any extension of title and forced to close at twenty-four hours' notice. Japanese activities no longer exist.

At Nungan, in Kirin Province, there lived 750 Japanese families prior to the "drive" against their race. By 1932 there are only a handful left. The rest have bowed before the relentless pressure and gone.

In many other cities, such as Anta and Fakumen, no Japanese remained. At Antung, in January 1930, a member of the Japanese consular staff received a request to give up his house, and the demand was only withdrawn after an official protest had been addressed to the Chinese authorities.

Such instances could be multiplied, but sufficient have been given to enable the reader to judge the part which this "systematic persecution," of which the Japanese complain, has played in fanning the flame of racial antagonism in an area where history has

brought the two races face to face, and where peace and prosperity alike depend upon good will.

It may be added that, in the face of continued provocation, the Japanese authorities have showed great toleration. The number of Japanese consular districts in South Manchuria were reduced by two-thirds compared with the number existing in 1922, before the Japanese army decided to take matters into its hands and move against the Chinese authorities who had instigated and continued this pressure against their treaty rights.

Again, Article 2 of the Treaty of 1915 stipulated that the Japanese have the right "to lease land necessary for erecting suitable buildings for trade and manufacture or for prosecuting agricultural enterprises." One month after the conclusion of that treaty, China aimed the first of an endless series of blows against that clause by issuing a law which rendered any one leasing land to a Japanese subject punishable by death! Land sales in China are legalized by means of a certificate issued by the Provincial Government in whose territory the sale takes place. In order that there shall be no misunderstanding regarding official wishes in this matter, such certificates are stamped with an announcement that the transfer is invalid if the purchaser is a foreigner.

Thus the leasing of land in Manchuria, which was one of the questions specifically settled by the Treaty of 1915, still remains a dangerous source of friction sixteen years later. Nor are the Japanese disposed to

let a right based upon treaty sanction, and which they regard as essential to maintain the Japanese position in Manchuria, go by default in the face of the flagrant breach of contracts.

The same pressure is exerted against Japanese trade. Just as the Chinese have allowed their antagonism for Japan to become a factor in railway development within the Three Provinces, so the Chinese authorities have, by manipulations in the money market, speculation, and other means, created serious difficulties for Japanese trading interests. The methods employed to this end are varied and technical. One cause of annoyance has been the practice, among some Chinese manufacturers, of forging Japanese trade-marks, the Chinese imitations being marketed without interference from the Chinese authorities. Consignments of Japanese goods addressed to traders at Mukden have been stopped by Chinese Customs officials at the gates of the city, and in many cases released only after protracted negotiations.

In 1909 the Chinese Government agreed to permit the export of wheat, maize, millet, and other cereals through the ports of Dairen and Antung, subject to a condition that in the case of excessive export likely to affect adversely conditions in Manchuria one month's notice of the suspension of exports might be given. In 1926, the Chinese authorities issued an order prohibiting the export of corn, without any advance notice whatever, causing serious losses to Japanese traders who had supplies in transit at that time.

While the weapon of economic boycott, which has contributed so largely to the difficulties facing the Japanese in Shantung and China proper, has not been used in Manchuria, specific instances of interference with private traders have occurred.

Thus in 1929, Chinese Customs officials picketed the Showa Yoko, a Japanese shop at Mukden, and confiscated any Japanese goods purchased by Chinese customers on the pretext that Customs duties had not been paid. This was untrue.

Again:

"As a measure to promote home industry, China has a special system of taxation for goods made by machine on foreign models, regardless of the nationality of the producers. Such manufactures are exempt from tax when exported, and are taxed only 5 per cent *ad valorem* for home consumption.

"The Manchurian Cotton Spinning Company at Liaoyang was granted in 1925 by the Peking Government such privilege for its products. The Mukden authorities, however, arbitrarily seized the permit in course of transmission from Peking, refusing to extend to the company the treatment rightly granted by the Peking Government. Under the circumstances, the company had temporarily to agree to a compromise by paying a certain amount of extra taxation to the Chinese authorities at Liaoyang. But the final solution remains to be made." [1]

[1] *Outstanding Issues in Manchuria and Mongolia,* published by The Herald Press, Tokyo

Such cases might be multiplied. They are inevitable while no lasting compromise is effected between Japanese ambitions and Chinese nationalism. The Sino-Japanese Treaty of 1915 gave the Japanese the right to engage in forestry work in South Manchuria. China has repeatedly declared that she welcomes foreign capital and skilled direction in developing her natural wealth. Yet despite both treaty and sentiments, the Chinese authorities prohibit their subjects to sell standing timber to foreigners, and the Fuji Paper Company, the Oji Paper Company, and other Japanese concerns which had invested considerable capital in forestry concessions were obliged to abandon their enterprises in the face of determined Chinese opposition.

According to the mining regulations of China, and a statement made by Dr. Alfred Sze, Chinese delegate to the Washington Conference, mining rights are granted to any company in which foreign interests do not hold more than 50 per cent of the shares. The Convention of 1909 laid it down that mining undertakings within the Japanese railway zone should be operated on a joint Chinese-Japanese basis. Later, in 1915, the Japanese were granted the right to prospect and develop mining enterprises in nine regions without Chinese coöperation. How have these rights, clearly granted to (*a*) engage in mining enterprises in any part of Manchuria conjointly with Chinese interests and (*b*) to develop minerals at certain places within the zone of the South Manchurian Railway

independently of Chinese interests, been honored by China?

The Japanese complain of persistent interference with mining operations, and even direct Government action aimed at the denial of solemn treaty rights. Thus the Commercial Department at Mukden issued a decree declaring that all mining enterprises would in future be conducted as joint Government and individual undertakings, thus clearly making it impossible for Japanese interests to share in launching any fresh developments within Fengtien Province. Even the employment of Japanese technical experts in those coal and iron mines under Chinese management is discouraged by the authorities. This cold-shouldering of Japanese interests in the raw materials of Manchuria has become more pronounced since the death of Marshal Chang-Tso-Lin, and the passing of power into the hands of his son, who has proved much more amenable to the nationalist sentiments of the Nanking Government than was his autocratic and independent father.

To these outstanding questions—and others relating to taxation, interference with consular jurisdiction and interference within the Japanese zone—there was recently added a further difficulty, and one which, if unchecked, might easily have inflicted upon Japanese interests in Manchuria greater losses than anything within the power of the Chinese Government. This new factor, which caused the Japanese authorities to act with speed and dispatch after

months of futile negotiation and protest, was the spread of banditry from China into Manchuria.

In years during which bandits, Communists, and disbanded soldiers bent upon loot infested wide areas of China proper and grew to a menace which the Nanking Government apparently finds it impossible to stamp out, Manchuria alone remained an area where law and order prevailed, and life and property were comparatively safe.

This was due in part to the presence of Japanese troops at Dairen and within the railway zone, but more directly to the stringent measures taken by the old Marshal Chang-Tso-Lin to maintain authority within the provinces over which he ruled in virtual independence. And the Marshal's efforts were ably carried out by a Manchurian army which was the most efficient force in China, ably commanded, and well-disciplined. Faced with the knowledge that the punishment for banditry was immediate execution, the lawless elements, while they always existed, were kept in check.

Following the death of the Marshal, and the growth of friction between Chinese and Japanese in Manchuria which was a feature of the *rapprochement* between the Three Provinces and Nanking under Marshal Chang Hseuh-liang, outlawry and lawlessness began to raise its head in the hitherto well-governed Manchurian districts. The Japanese declare that outrages became increasingly frequent, culminating in the sabotage on the South Manchurian Railway itself,

carried out by Chinese troops either when out of hand, or under orders. The Chinese declare that there were no bandits in Manchuria before the Japanese occupied Mukden on September 19, 1931, or alternatively (in the language of the Law Courts), if there were, the Japanese put them there to provide an excuse for armed intervention and the overthrow of the Chinese Governments in the Three Provinces.

It is difficult to establish the truth in the face of these conflicting statements. But there is evidence for asserting that banditry was becoming an increasing menace not only to Japanese interests but to life in Manchuria generally, that the Chinese authorities were either too preoccupied with other problems, or unable to hold it in check, and that the Japanese army in Manchuria, having observed the tragic results within China of permitting this menace to extend unchecked, and despairing of strong action being taken by the Chinese, decided to enforce law and order by direct, and possibly technically illegal, action on their own account before the position became so bad that they too would be powerless, or alternatively, until the restoration of settled conditions would have meant a prolonged military campaign carried out in the teeth of Chinese opposition. There is evidence in support of this view in the fact that foreign interests generally supported the Japanese in their decision, even while Nanking still protested that the fear of banditry was merely an excuse

for Japanese "Imperialism" to aim another blow at a divided and embarrassed China.

Such, in outline, was the Japanese case. What of China? Seen through Chinese eyes, the Japanese military action was not dictated as a means of securing law and order, or even the redress of outstanding grievances, but was one more chapter in the record of Japanese designs upon Chinese sovereignty which began in 1895, the essential aim being to wrest new concessions from Nanking by armed force. Certainly a recapitulation of Japan's relations with China in recent years lends some color to this view, however great may have been the provocation, or series of provocations, under which Tokyo acted.

Japanese ambitions in China were first revealed after the war over Korea in 1894, when the Japanese attempted to obtain a virtual protectorate over Southern Manchuria and were prevented only by the opposition of the European Powers, especially Russia. After the Russo-Japanese War, Japan again acquired extensive concessions and interests in that region, interests which were subsequently curtailed by the Peace Conference held at Portsmouth, U.S.A., largely owing to the determined stand taken by President Roosevelt.

The next move came in 1915, when Japanese aims at obtaining a strangle-hold on the rich Manchurian trade were startlingly displayed in the famous "Twenty-One Demands." Once again Japan had to admit defeat in the face of strong American opposi-

tion in the name of the "Open Door," Equal Opportunity and respect for the territorial integrity of China. The ending of the war, however, found the Japanese still in Shantung and Eastern Siberia, and the difficulty experienced by the Powers in securing the evacuation of these areas showed that Japan had abated none of her designs on the Asiatic mainland.

Further, it may be recalled that in 1920 the Japanese Government made strenuous attempts to have Japan's financial and industrial activities in Manchuria and Mongolia excluded from the purview of the International Banking Consortium on the ground that the operations of this body might create "a serious impediment to the security and the economic life and national defense of Japan." Thus it will be seen that ten years before the recent crisis arose, Japanese diplomacy was using the blessed word "security" to justify the continuance of a position of virtual monopoly in Manchuria.

Nor is it surprising if the Chinese Government, faced with the statement that the Japanese occupation of Manchuria had become necessary to put down banditry and provide security for Japanese lives and property, remembered and found a parallel situation in the declarations made by the Japanese and American delegates at the Washington Conference regarding the continued Japanese occupation of Eastern Siberia after the Great War. At that Conference Baron Shidehara declared that Japanese troops were remaining in Siberia to protect the lives and prop-

erty of Japanese subjects and the security of the Korean frontier. Their activity was "confined to measures of self-protection against the menace to their own safety and to the safety of their country and nationals."

Mr. Hughes, American Secretary of State, commenting upon this claim, said that in the view of the United States Government the continued occupation by the Japanese forces of strategic centers in Eastern Siberia and their establishment of a civil administration in the areas occupied "inevitably lends itself to misconception and antagonism and tends rather to increase than to allay the unrest and disorder in that region." He further regretted that "Japan should deem necessary the occupation of Russian territory as a means of assuring a suitable adjustment with the future Russian Government" and said that candor compelled the Government of the United States to declare that it could not, either now or hereafter, "recognize as valid any claims or titles arising out of the present occupation and control and that it cannot acquiesce in any action taken by the Government of Japan which might impair existing treaty rights or the political or territorial integrity of Russia."

Remembering that history has a habit of repeating itself, and in the face of this parallel case in which Japan advanced precisely similar arguments to those used to excuse the occupation of Manchuria, the Chinese Government regarded the Japanese declarations that the occupation was intended to secure a

satisfactory settlement of outstanding issues regarding railways, loans, security, and other matters as mere camouflage, and declared that the real aim of the Japanese Government was political and economic —the wresting of new concessions in Manchuria, if not, indeed, the forcing of virtual independence on the Three Provinces as a Japanese preserve, and their separation from China by military action. And it was on this basis—that the issue was political rather than domestic—that the Chinese Government appealed to the League of Nations and invoked the protection of the League Covenant, under which the integrity of her territory was guaranteed by all the members of the League.

"No nation can be prosecutor, judge, jury, and executioner in settling disputes with another, without becoming a potential menace to the entire civilized world," declared the *Shanghai Evening Post and Mercury*, commenting upon China's case.

"That is precisely the position in which Japan has permitted the war clique to place her, in its program of wreaking vengeance upon China without regard to pledges of peaceful arbitration.

"No one can doubt for one moment that Japan has a myriad of grievances against China, many of them undoubtedly just. No foreign nation which has struggled for the past decade or decades to arrive at a settlement of diplomatic issues with the variety of Chinese Governments can wholly lack sympathy with Japan's desire to accelerate long over-

due agreements. But wrongful actions cannot be condoned even in the most just cause.

"We have the spectacle of Japan plunging headlong into military occupation of Manchuria, bombing, blasting, shooting its way into civil, political, and economic control without recourse to the instruments which she signed with China, pledging that they both would renounce war as a means of settling disputes.

"It is not over the justice of her charges against China that we state our sharp disagreement with Japan; it is with both the wisdom and the justice of her method of arriving at a settlement.

"Just as private citizens are prohibited by every civilized state in the world from taking violent measures to obtain redress from their fellows, without first having appealed to the state, so are nations in a civilized world pledged by their honor to submit their disputes to peaceful arbitration in advance of making warlike moves.

"It is both ridiculous and futile to insist that the Manchurian occupation is a 'local incident,' being confined to 'local areas.' The fact is that the presence of Japanese troops in purely Chinese territory will continue to make it impossible to confine the aroused bitterness of China to any locality, as well Japan must know. As these bitter antagonisms arise, they will be pointed to as the causes of conflict; and for the purpose of keeping the record entirely straight, we reiterate our position.

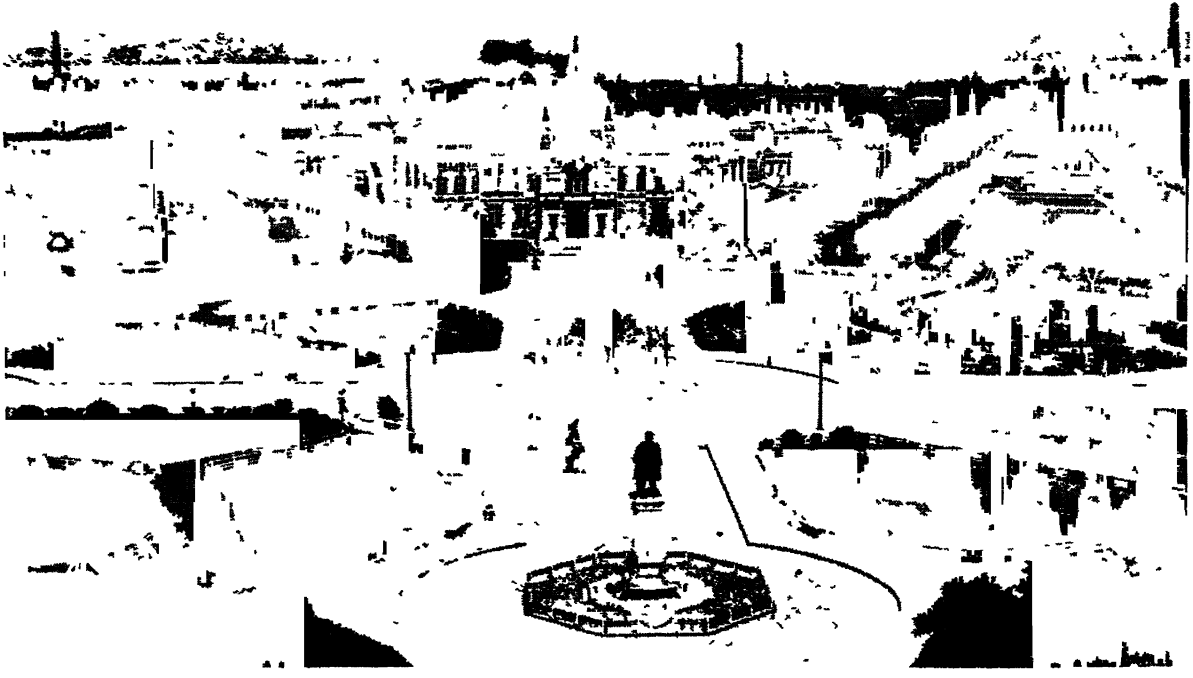
"Each of Japan's three hundred charges against China may be just. But Japan's method of attempting to obtain justice is the method of the savage; the method of the mob; the methods of the brute. It will work only if we confess that the whole structure of civilization has failed."

Influential British newspapers expressed the same opinion in more guarded language.

"This is not the first time that a moment when Western eyes have been distracted by other events has been seized by Japan to further her own policies," stated the *Sunday Times*, while the London *Times* (September 21, 1931) stated that "there is no excuse for the Japanese officers who struck the blow without consulting their Government. They have presented Nanking with a grievance."

The New York *Evening Post* likewise admitted, in the course of an editorial article, that Japan had sought a settlement of just grievances in the wrong way, declaring: "Japan's modern European clothes have not changed her ancient habits. When all the nations of the West are giving every effort towards saving the one greatest of them all Japan creeps up on her ancient enemy and with a sudden military swoop steals from China the city of Mukden. The act, in its slyness, shrewdness, and complete lack of good faith, internationally, is entirely characteristic of the tribal chiefs who ruled old Japan."

The New York *World-Telegram* stated that Japan, by making war on China, had violated the Kellogg



DAIREN—THE JAPANESE "CAPITAL" IN MANCHURIA

A section of the circular "Great Square" of the famous Japanese port, viewed from the roof of the Yamato Hotel, and showing the Yokohama Specie Bank

Pact. "Two years ago the United States sharply demanded an explanation from Soviet Russia for violation of Chinese territorial rights in North Manchuria. Now Japan is guilty of one of the grossest aggressive wars of conquest in modern history. The Chinese knew they were protected by the Kellogg Pact and the Nine-Power Washington Treaty of 1922. To these pacts the United States has pledged her honor. If the United States Government wishes to have honor, it will have to act. It will have to demand jointly of the Treaty Powers—alone if necessary—that Japan withdraw and make restitution."

Especially significant, in view of the Chinese protests that the real aims of Japan were political and economic, was the opinion advanced by foreigners in Manchuria, comparatively early in the conflict, that Japan would take the opportunity thus presented to seize and hold the Chinese port of Hulu-tao, which during recent years had proved a serious competitor to the Japanese port of Dairen.

Railway development in Southern Manchuria has so closely linked the centers of Manchurian trade with this port that Hulu-tao has handled millions of pounds' worth of trade which formerly went to Dairen. Moreover, its geographical position gives it decided advantages over the Japanese port, Hulu-tao being considerably nearer to North Manchuria and freight charges therefore being lower.

"This place," stated a correspondent in the *Manchester Guardian* (December 10, 1931), "is the real

key of all the Japanese movements. Hulu-tao is a natural land-locked, deep-water harbor, capable of holding the entire Japanese fleet. This port is free for navigation, winter and summer. Possessed of Hulu-tao and with Port Arthur as an outpost, the Japanese navy would have complete and secret opportunities for movement. All its resources could be drawn from Manchuria. This harbor is an object of Japanese policy which they have never abandoned, and, whatever their declarations or their movements now, they are determined somehow to obtain possession of it."

To secure Hulu-tao, however, it was necessary first to occupy Chinchow. Here, perhaps, may be the real objective behind the Japanese capture of that city on January 2, 1932, in defiance of the resolutions of the League of Nations, and in the face of the protests made to Tokyo by the Governments of Great Britain, the United States, and France.

Japan's record since 1895, and her recent actions in flouting the opinion of the League in order to obtain control of the whole of Manchuria, are the basis of the firm conviction held by the Chinese Government that Japan is attempting to do to-day what she was prevented by the United States and other Powers from achieving in 1915. The Chinese opinion that the many issues outstanding between the two nations played no part in Japanese policy except to throw dust in the eyes of the League and neutral opinion may or may not be justified. Certainly it may be

said that, realizing the menace of Japanese aims, the Chinese Government was badly advised to permit these outstanding issues to remain unsettled, and thus present Japan with grievances which could be utilized to explain away her actions.

Probably the essential conflict in Manchuria had to come to a head. Whether China is right concerning Japan's real intentions, or whether Japan is right when Tokyo states that it exercised patience until that patience was exhausted and only when Manchuria was relapsing into anarchy did its troops act in order to protect the lives and property of Japanese subjects, is a puzzle the solution of which cannot be known with certainty until the direct negotiations between China and Japan which must sooner or later come, have revealed the price of Japanese evacuation.

Reviewing this record of torn-up agreements, the denial of treaty rights to Japan, and the continuous forward pressure which Japan has maintained in Manchuria for years; remembering the vital importance of the maintenance of law and order in that region not only to Japan but to other nations, and bearing in mind the large amounts of Japanese capital which have flowed into the country during the past twenty-five years, it will be realized that without a complete change of heart on the part of either China or Japan, or both, something like an open breach was sooner or later unavoidable. There was no room within a Chinese-owned Manchuria for Japan's "forward" policy of industrial development,

exposed to the pin-pricks, delays, and tortuous methods of Chinese diplomacy. Nor was it likely that Japan could continue to draw upon the natural wealth of the Three Provinces as a reserve for Japanese factories, while China, flushed with a patriotic fever and shouting the catchwords of nationalism, not only refused to discuss any extension of facilities for development, but agitated for the cancellation of all "unequal treaties" and the return of concessions to China. And while, it may be added, hatred of Japan grew into a national obsession and the economic boycott against Japanese goods assumed the proportions of "an unarmed act of war" upon Tokyo.

Whether the Japanese had increased the wealth and importance of Manchuria was beside the point. To the crowds of students who parade Chinese cities with banners bearing the legend "Down with the Foreigners," they were usurpers. The tension increased visibly year by year, and it was too much to hope that it would not spread to Manchuria, the region where Chinese and Japanese meet face to face, and in which is congregated the main portion of Japanese industrial interests in China.

Conflict was inevitable. The Japanese people are as determined to maintain privileges dating from the war with Russia, as are the Chinese that these privileges must be swept away. Hence the Chinese refusal to accept any Japanese definition of existing treaty rights—the famous fifth "fundamental principle" debated by the League Council and finally left

out of the League resolutions concerning the conflict as insoluble.[1] China, in the mood of 1931, far from being prepared to grant fresh concessions to Japan, was demanding the rescinding of past concessions on the grounds that the treaties had been forced upon past Chinese Governments by *force majeure*. In these circumstances, the amazing fact is not that the conflict came, but that it was delayed so long, and that it has affected to so small an extent the expanding trade of Manchuria.

[1] See Chapter IX.

CHAPTER VI

COMMUNISM—THE UNKNOWN FACTOR

TOWARDS the end of 1905 several ominous events occurred in Moscow, Kronstadt, and Sebastopol; there were outbreaks and open mutiny in both the navy and army, and a general revolutionary spirit was abroad. Such a breakdown of discipline in the Russian armed forces was unprecedented and may be traced to the untiring zeal of those who preached the doctrine of revolution.

Propaganda was the new and powerful weapon that had come to the fore. Throughout the war between Russia and Japan it had been carried on, active spirits were at work preparing the ground, undermining on a gradually increasing scale, until it blossomed out into a widespread organization, backed by unlimited funds and a virile directorate.

With the requisite driving force, and all that was needed to give sustained and unimpeded impetus, it permeated every sphere of society finding its way into military, political, moral, and economic circles. In Russia the seed fell on fruitful ground; for generations the peasants, who comprise three-quarters of the population, had been in a state of discontent. They were for the greater part totally illiterate, ready to listen and respond to any agitators who appeared,

and formed ripe material for the new force the Bolsheviks were exploiting.

Following the overthrow of the Czar in 1917, and the coming of the revolution, there poured into the country revolutionaries from the old and new worlds, from whom were chosen the staff and executive to run the new republic, and demonstrate to the universe the blessings of Utopia. The Bolsheviks then elaborated their program, pouring out such material and propaganda that, in forceful argument, left the Jesuitical utterances of the Germans and others far behind.

In so far as Russia was concerned we can trace the fitful and unfortunate attempts of various ministries, such as those of Goremykin, Sturmer, and Trepoff, to stay the normal course of Russian life, and give a definite check to the desire for education and progress, even though they be on slow but progressive lines. This had much to do with the rise of propaganda, and the steps that were taken to hamper public opinion, and stultify any attempt at advancement, provided ample material and roused the resentment of the people, which was reflected in the navy and army.

In 1918 the tide of Communism flowed towards the Far East and Manchuria; the war prisoners interned in Russian Central Asia and Siberia were also moving in that direction when they were released by the advent of the Bolsheviks, to roam the entire country in East and Central Asia.

In 1918 Koltchak at the head of the anti-Bolshevik

party was driven eastwards through Siberia, and his army broke up and dispersed in various directions. Amongst them were a number of Chinese soldiers and followers originally employed as laborers behind the Russian lines on the German and Austrian fronts. With the Czarist collapse they had but two alternatives—either to regain their own country under trying and harassing conditions, or take service with the Bolsheviks. The majority chose the latter, with unlimited opportunities for loot, murder, and rapine, and to these mercenaries good pay was always forthcoming as executioners and cleaners of the Augean stables in various parts of Russia. The pay was, of course, the ruling element, for there is ever a lack of it in the Chinese service; it has perforce to filter through many channels, and only reaches the soldier in an attenuated form.

With all the many protagonists of anarchy and chaos moving towards Manchuria it may be readily imagined that confusion reached its climax. Quick to seize opportunities, and to derive the utmost advantage from the apt material at hand, the Bolsheviks still further developed their system of propaganda, of which the main feature was its anti-British tone. Some of it was also quasi-Islamic in character, revealing them in the light of champions of the oppressed peoples of the East. To give the requisite color to this illusion they sent a number of Indians headed by one who had been expelled from India as a dangerous anarchist.

It is interesting to note that the Bolsheviks considered Britain as the main obstacle to overcome in their endeavor to establish paramountcy in the Far East, and they, therefore, devoted themselves with unabated energy to the task of destroying British power and prestige, declaring that the success of the scheme for emancipation of the East and the realization of their ambitions towards a Soviet domination of Asia must stand or fall by the success achieved against us, and that this, incidentally, was the only way to insure a revolution in Great Britain.

By a general conflagration in the East the British could be burnt out of Asia, and the world revolution would go on unchecked. At the same time there was method in their madness, for they appreciated the dangers involved in an Asiatic flare, and realized that only by continually directing its force against the British could they prevent its turning and burning themselves.

Amongst the interesting libels circulated through Central Asia concerning us was one to the effect that we had bombarded and destroyed the tomb of the Prophet; that we had ravaged and laid in ruins the holy places, had violated the women, and cast the Quran amongst swine.

The Chinese authorities in Manchuria and East Asia were remarkably tolerant of all the numerous and discordant elements that swept into the country during 1918-20, and their forbearance at this time did much to mitigate the difficulties of a situation for

which they were totally unprepared. All Eastern Asia was swarming with propagandists, and not only the Chinese but the allied forces then in part occupation of Siberia became alive to the dangers of a conflagration and realized that drastic action was called for. A number of agitators were arrested and summarily executed, which had the temporary effect of instilling dread into the others.

In order to present a clear picture of events leading up to the efforts the Soviet made to constitute East Asia as the headquarters for the revolution designed to put all Asia in their grip, we must explain that there were many obstacles to concerted action on the part of the Powers in the Far East. Not the least of these was the jealousy amongst them, Japanese suspicion of the United States, and the Chinese fear that every move made had some ulterior and sinister motive, threatening not only their authority but their sovereignty in China proper.

The Chinese were also apprehensive of the Bolshevik intentions in Mongolia, where they were carrying on an intensive propaganda by means of agitators who endeavored to recall to the people the days of their forefathers and their former might. Only from the triumph of anarchic revolution could universal peace and prosperity be gained, they said, and not by the steady progress of democracy that favors government in the interest, and subject to the control, of all the governed. Here again effective grease for the

THE OUTRAGE THAT PRECIPITATED THE NONNI BRIDGE BATTLE
The Japanese-owned Taonan-Anganchi railway line destroyed by the Chinese.

wheel is money, and of this a supply seems always forthcoming.

With finance, derived whence none can exactly say, the Bolsheviks have brought propaganda to a fine art; but so far the Mongols have remained deaf to Soviet exhortations. Probably the tenets of Lamaism, and its opposition to any form of progress and advancement, least of all that engendered by a revolution, are responsible for the Mongol attitude.

Credit is due to the Japanese for their efforts to counteract this campaign, and from what they have accomplished the Mongols see that all is not well with the Soviet and the doctrine of Communism, and even if the atrocities in Russia have been exaggerated the state of destitution, misery, and suffering has not, whilst it is evident to the Mongols that a redistribution of this world's goods by the Soviet oligarchy could only end in the goods taking wing and vanishing for all time.

With the more educated Mongols the propaganda might have some effect, were it conducted on sane and ethical lines, for the memory of the Mongol conquerors is still fresh, and the legend says that Jenghiz Khan, the first of the Mongol Napoleons, lies buried on the summit of the sacred mountain overlooking the capital at Urga, a point to which access is denied lest the famous warrior be disturbed in a sleep that shall end in a second coming to renew his former conquests.

With so little result to show for their efforts in

Mongolia the Soviet turned with added zest to Manchuria. Tragedy grim and stark was moving through the East, and, as we have already seen, refugees flying from the horrors and political chaos of Russia sought asylum in the promised land, flocking to the larger towns such as Harbin, Kirin, and Mukden.

Russia having surrendered her extra-territorial rights, the erstwhile order of things was reversed; the yellow man lorded it over the white, with the power of arrest and punishment. This gave a false sense of proportion to the Chinese, which, coupled with the economic bankruptcy of Russia and the internal conditions prevailing in that country, has resulted in the Bolsheviks gaining very little ground.

At the present time their activities are centered in an organization in Northern Manchuria which numbers in its ranks the trade unions of Russian workers, subordinated to the Third International, the latter a part of the Soviet Government itself.

This organization, known as the Profsoyuz, is the mainspring of Soviet activity in Manchuria, and when the Soviet seized the Chinese Eastern Railway as described in another chapter, they used its resources and revenue to further the Red cause. The application of the railway funds to the benefit of the Soviet workers was bitterly resented by the Chinese, for whom nothing is done and to whom no benefits from the railway can accrue unless they are definitely supporters of Red rule. Instead of being applied in a legitimate way to the enhancement of the common

welfare the railway is regarded as a means of providing the Soviet with funds to develop the Red doctrine throughout Manchuria, leaving the Chinese, as equal partners in the line, out of the reckoning.

The Bolsheviks have always regarded Asia as the starting point for the struggle to precede the world revolution upon which they have set their hearts.

As far back as 1900 Lenin and his satellites, who were waiting the opportunity to destroy Czarism, celebrated, with others of the anarchistic groups, the murder by Chinese Boxers of scores of missionaries, as the torch that proclaimed the lighting of the revolutionary fire. Secure in their retreat in Switzerland, as well as from London, various statements were sent out to the world that the masses of enslaved humanity of East and West must unite and make a clean sweep of the whole world. Only by putting the massed population of Asia in motion, an army representing one half of the universe, eight hundred millions of people, eager to burst the bonds of slavery, should we see the Soviet form of government established in all Asiatic countries.

The Communistic idea is so simple and easy, said Lenin, so adaptable that it can take root anywhere, and find favor as much amongst the Chinese as the Hindus or Moslems. The wish here was father to the thought, for from personal experience of the Asiatic peoples, embracing more than thirty races, none of them appears anxious to be "emancipated" under Bolshevik auspices.

The Bolsheviks anticipate that all the Asiatic races, irrespective of religion, will go forward as one united whole. In this fallacy they display a poor knowledge of the psychology of Eastern peoples. As an example let us look at India, a land of almost infinite diversity of religion. Hinduism numbers in its ranks about two hundred and twenty millions in India alone, accounting for one-eighth of the population of the globe, and one-half of the total inhabitants of the British Empire. It is a creed with a philosophy of existence fundamentally different from that of any in the West. It affects the ordinary acts of daily life at every point, a religious system so ancient and so powerful that it is the sheet anchor of indigenous India.

It is to a certain extent a gloomy religion; for, with the advancing centuries, the bright and cheerful deities of the Veda have given way to the demons who maintain a strangle-hold on the Hindus. These demoniacal gods keep the people in a constant state of terror; they are haunted by the memory of sins which they are supposed to have committed in a former state of existence, and worse danger ahead can only be obviated by placating the priesthood with monetary offerings. So the priest becomes a capitalist, and at once automatically places himself beyond the Bolshevik pale. It is a long way to the Hindu heaven, and the road to it is beset with difficulties, so much so that the prospect of getting there is never a bright one with the Hindu.

Although the British during their two hundred years in India have endeavored to apply a policy of tolerance and a benevolent attitude towards the manners and customs, the creeds and prejudices, of Hindu and Moslem alike, they, with all the tact and diplomacy which, admittedly, have been displayed in India, could not in any wise affect or alter the vital differences between Hindus and Moslems.

In a masterly summary of the causes of Hindu-Moslem tension the Simon Commission report considers that the strained relations between the two religions provide one of the most serious complications for statesmanship, and that this question recurs in different forms and degrees in almost every part of India. The nature of these antagonisms which the rival communities tend to develop, the extent to which this tension is growing or dying away, and the influence these considerations are bound to exercise upon constitutional problems, are all-important if there is to be any hope of bringing them in on the side of Bolshevism.

So strong is the mutual dislike, and so improbable the chance of any coöperation in the emancipation scheme, that the opposition is intensified by religious practices constantly provoking ill-feeling. For example, the Hindu regards the cow as the object of greatest veneration, whilst, on the other hand, the ceremonial sacrifice of cows is a feature of one of the principal Moslem festivals. Hindu music played through the streets when an idol is being taken out

for public worship, may happen to synchronize with the call to prayer of the Moslem, with the result that fierce resentment is shown, and a riot almost invariably ensues. There is then a cat and dog fight, until the British step in and separate the combatants, attend to the wounded, and make earnest efforts on both sides to reach a *modus vivendi.* Despite the watchfulness of the British, the immediate cause of communal disorder is invariably the religious issue, whilst religious zeal is ever present to act as a stimulant whatever the nature or origin of the conflict may be.

To any one with experience of India the idea of cooperation between Hindus and Moslems, on the lines the Bolsheviks have mapped out, is fantastic, to say the least of it.

Fierce disturbances are always arising between Hindus and Moslems, especially in the turbulent parts of Northern India, contiguous to the border line of Central Asia, which the Bolsheviks consider such fruitful ground. The wild Pathans come down from the hills and valleys into Northern Hindustan, to kill and raid among the fat Hindu lands of the plain.

Ordinarily these people are affable and hail-fellow-well-met, but when it comes to a question of the Hindu, the vile infidel whom the Quran ordains shall be laid in wait for and slain wherever he shall be found, it is astonishing the amount of murderous energy the Moslem can put into his work.

By killing the Hindu, or any non-Moslem, he is assured of paradise, with a passport to the favor of

Allah, and so these spells of fierceness and religious fanaticism are by no means uncommon. When little differences arise between the rival religions it is always the luckless Britisher who is called upon to restore peace and tranquillity. The first thing that the Maharajah of Kashmir did in November 1931, when his state became a fighting ground for Hindu and Moslem, was to beseech the aid of British troops to restore the *status quo*, as well as for a British official to inquire into the causes of the unrest and endeavor to solve a problem which was quite beyond the capacity of the Indian!

Then there is the question of caste, that terrible incubus amongst the Hindus which is the root and branch of their social fabric. It would be a formidable stumbling-block to Bolshevism, for the rules and regulations of this ancient social system grip the people as in a vise, from which there is no deviation, and still preserving, as it did four thousand years ago, an unchanged outlook on life.

No matter how talented or wealthy a Hindu may be, how gifted or energetic, he remains of the caste in which he was born. He cannot marry outside that caste, he cannot eat or drink from the utensils belonging to one of a lower or higher caste, for this would bring pollution, and for most of the offenses against the caste system he runs the risk of sixty thousand years in hell.

His caste is known to his next-door neighbor, and it keeps the man of low degree from rising in the

social scale, and effectually stamps out the fire of ambition. At the head of the caste system are the Brahmans, all-powerful, occupying the paramount position, presiding over the destiny of two hundred and twenty millions of people, retaining an absolute monopoly as priests, and a claim to knowledge and authority out of all proportion to their number.

This is a mighty obstacle to overcome, even to such experienced propagandists as the Bolsheviks.

Then there are the Moslems; seventy millions in India alone, whose spiritual head—the Sheikh ul Islam—has declared that the doctrines of Bolshevism are at variance with the tenets of Islam, and enjoining all true believers to abjure such teachings as inimical to their faith and precepts.

All over Asia one meets the same conditions; the teeming life, the countless numbers of people of every degree of social status who are absorbed in pursuing the traditional course of their daily lives. Whether it be India, China, the Malay Archipelago, Siam, or Tibet, the population is largely rural, dependent upon the crops for a livelihood, knowing little or nothing of politicians, and not wishing to, and ruled in their daily lives and actions by age-old customs which it would take generations to modify or alter.

In the Soviet campaign for emancipation Moslems and Buddhists would have to play a part; but Moslems and Buddhists regard one another with ill-disguised hostility, an attitude that has always char-

acterized relations between these two great rival religions. It is true that a certain amount of satisfaction was evinced at the Japanese victory over the Russians in 1905, due, however, to the antipathy created by the Russians, who had ridden roughshod over Chinese and Moslems alike in their endeavor to monopolize the Far East. Encouraged by this display of good will the Japanese essayed both secretly and officially to gain touch with Constantinople, in the hope of facilitating reciprocal action against Russia, but the overtures failed to materialize.

Quite apart from the fact that a combination between these rival faiths is unthinkable, even were it at all practical, the time required for such a mental metamorphosis, and to attain a footing of equality, would be generations, for both sides would have to enter a completely new world, with new ideas, to cast aside inherent beliefs and convictions, and revolutionize their mode of life, thought, and being, which has taken centuries to evolve.

The Bolsheviks consider that Communism finds favor among the Chinese. On the contrary, its progress is negligible, for its principles interfere with private trade, which is vital to the Chinese, whilst they strike at private liberty, a leading feature in the social life of the nation. Moreover, although it may not develop, there is a feeling in favor of the restoration of the monarchy on sound constitutional lines, for a republican form of government is not suited to the Chinese temperament. To create a republican spirit

there must be certain essentials on which to build up the fabric. These are wanting, and until they are created the form of rule must be oligarchic.

In dealings with the Chinese one always noticed the consistent respect shown for the emperor as the temporal and spiritual head of the nation, for under the monarchy the family was the national unit, and the emperor the father of all. With a republic there must necessarily be a change of leader, and this in itself invests the head of the nation with transitory power, and one without prestige, whilst it lacks the main feature of imperialism, as the term is understood in China, that of concentrating authority and focusing the loyalty of the people.

Apart from this dislike of Communism, the ethics of Confucianism, on which the entire life and being of the Chinese have been based from time immemorial, constitute the people anti-militarist; and in an aggressive movement, such as the emancipation plans demand, the pacifist nature of the Chinese, both by instinct and training, would assert itself. They have no aspirations in the required direction, and in case of dispute, irrespective of the issues at stake, mediation, much more than any form of action, would at once be the strongest point. With the establishment of a sound constitutional rule, the Chinese would take the path leading to peace and prosperity, for they are certainly not partial to Soviet ideas.

China and Russia are the two principal landholders in Asia and the East; each has a vast population, and

natural resources as yet undeveloped, that will render them self-contained and independent of the rest of the world. Their political, commercial, and economic possibilities must influence the balance of power in Asia, as well as that in Europe.

The various moves in Manchuria, of China, Russia, and Japan, the studied restraint of the one, or the forward march of the other, are therefore of paramount interest and throw much light on the relative progress the Soviet plans are making. It also brings out in strong relief the moot point whether China will ever assume a place as a dominant power. For this she fails in the main essentials of strength and self-assertion. On the other hand, in population and potential strength China is the first in the world, and her natural, industrial, and economic resources are such that she could be the richest country, and her national debt would be trifling in comparison with the revenue she could produce.

With this review of the Communist chances in the East let us pass to the Soviet record and Communism in general in Manchuria.

Having surrendered all the extra-territorial rights formerly enjoyed by Russian subjects in China under the "unequal treaties," Moscow's interests in Manchuria, and in the crisis arising out of Japanese actions, appear to be limited to three aims: to maintain the orderly working, free from political complications, of the Chinese Eastern Railway, under the joint management of the Soviet and Chinese Governments;

to preserve the "open door" for trade between the two countries; and, in the words of Molotov,[1] to abstain from any action against the interests of the Chinese people "striving for their independence and national unity."

There are no Soviet troops in Manchuria; the Chinese Eastern Railway is guarded only by Chinese, and while, naturally, Russia maintains an armed force along the Siberian frontier, Moscow has stated definitely that "no Red troops or armaments were sent East" during the time that Japanese troops were located over the greater part of Manchuria, up to within a few miles of Soviet territory.

This restraint, for the situation was not without its dangers to the Soviet, was in conformity alike with the declarations of neutrality in the crisis, and the avowed policy of Moscow to avoid any warlike adventures.

In truth, Russia had everything to lose and nothing to gain by becoming actively involved in the Manchurian embroglio. The appearance of the Bolsheviks on Chinese soil would almost certainly have ranged world opinion behind Japan and turned a situation already delicate in the extreme into possible action against Bolshevik designs in the Far East.

With world opinion mobilized by the League of Nations, and tending to be highly critical of Japanese action, the Soviet authorities were chary of becoming

[1] Speech reported in Moscow *Pravda*, November 12, 1931

involved to their own detriment in the Manchurian adventure.

Contrary to their usual course Moscow pursued the path of rectitude, which did not, however, prevent the militarist Japanese, or their allies of the press, from spreading rumors. They, no less than Moscow, realized that with world opinion critical of Japan's actions, there was no sounder policy than to counter-mobilize the anti-Soviet Governments behind Tokyo by revealing the influence of the "Red hand" in stiffening the Chinese resistance to Japan. There is evidence for declaring that the Japanese Government was opposed to this policy of intimidating Soviet Russia, realizing it to be a two-edged sword, and that the history of Japan's relations with China since 1915 would, if a comparison were made, compare unfavorably with the conciliatory attitude of the present rulers of Russia.

It seems the Japanese War Office was undecided how far it was safe to play the anti-Soviet ace. But the Japanese Generals in Manchuria who were setting up pro-Japanese administrations in the Three Provinces expressed themselves differently. Hence the rumors concerning the presence of Russian officers with the Chinese forces, of Russian ammunition being supplied to them, of Russian corpses found on the battlefields, of troop movements carried out on the Chinese Eastern Railway with the permission and approval of the Soviet managers, but of which no definite evidence is forthcoming. Hence, too, the

even more perilous gamble which caused the Japanese to carry their advance to Tsitsihar, in the direction of the Soviet frontier, and near enough to raise the grave question of a Chinese retreat over the border, with the possibility of Japanese pursuit which might have forced the Soviet hand.

This danger of an invasion of Soviet territory was averted, and the rumors of Soviet intervention which served to quieten the Great Powers and the United States, while the Japanese troops moved northwards, were proved to have no foundation in fact. The statements in the British and American press concerning the presence of Russian advisers with the Chinese armies, and Russian corpses after the fighting, were subsequently denied by the Japanese High Command in Manchuria, which issued a statement declaring that further investigations had shown that the presence of Russian officers with the Chinese forces was unconfirmed. The denial, however, was issued after the Japanese movement into Northern Manchuria had been completed.

The charge concerning the carrying of Chinese troops and munitions on the Chinese Eastern Railway was the subject of an interchange of Notes between the Japanese Ambassador at Moscow and M. Litvinoff, Soviet Commissar of Foreign Affairs.

The Japanese Government declared that it did not believe that the Government of the U.S.S.R. supported or approved the use by Chinese troops of the Chinese Eastern Railway, and emphasized that the

Japanese army had not the smallest intention of interfering with the working of that line. But, the Note added, the Japanese Government must insist upon the strict neutrality of the Soviet Government and that no Chinese troop movements be allowed to take place. The Note further compared the situation in Manchuria with the events of 1929, during the dispute between the Soviet and Chinese Governments concerning the administration of the Chinese Eastern Railway, when many of the Soviet employees were arrested and imprisoned by the Chinese, and a Russian force entered Manchuria to secure their release and enforce treaty rights as joint-owner and administrator of the line.

Litvinoff replied a few days later (November 20) at a meeting with the Japanese Ambassador at Moscow. The Soviet Foreign Minister pointed out that there was no analogy between the Sino-Japanese conflict and the Sino-Soviet disagreement of 1929. "The Soviet Government never took advantage of their power against the weakness of China at that time. Our troops entered Manchuria only after the Chinese and 'White' Russians (anti-Bolshevik exiles in Manchuria) had twice invaded Soviet territory. As soon as this threat had been liquidated, the Soviet forces immediately left Manchurian territory.

"The South Manchurian Railway," continued Litvinoff's reply, "is under the complete control of the Japanese, who have military guards in the railway zone. The Chinese Eastern Railway is under mixed

control of the Soviet and Chinese, and there are no Russian military detachments to guard the railway or enforce instructions regarding its use. Directly the danger of the line being used for Chinese troop movements arose—and this only happened when the Japanese armed forces were moving north—an order was sent to the Soviet representative on the railway administration instructing him in no circumstances to give his consent to the transport of any troops—Chinese or Japanese—on the line. Up to date this order has not been infringed.

"The previous assurance of your Government that military operations in Manchuria will be limited as much as possible is, however, not entirely fulfilled. The military operations are spread over a territory greater than was expected would be the case, and this factor more than anything else gives us cause for anxiety." [1]

It is probable that the Japanese military authorities never seriously wished to add the grave risks of a serious conflict with Moscow to their embarrassments. None will deny that they made use, in their propaganda, of the Russian menace to counter, during the critical days when they were moving over most of Manchuria, the activities of the League of Nations and the protests of world opinion.

The well-informed diplomats at Tokyo could not have overlooked the evidence which has accumulated during recent years that the Soviet Government is

[1] *Pravda*, Moscow, November 21, 1931

averse to foreign adventures and has repeatedly declared that it does not seek territorial aggrandizement at the expense of China. Had Soviet Russia contemplated establishing a zone of influence in Manchuria at the expense of Chinese unity, and as a counterbalance to Japan, the dispute concerning the Chinese Eastern Railway in 1929 would have afforded a sufficient pretext to force the issue.

The Chinese Eastern Railway is Russian state property. Marshal Chang-Tso-Lin seized the line in 1926 and arrested M. Ivanov, the Russian director of the railway. As already related, strong representations to Mukden subsequently led to the release of the imprisoned man and the restoration of the line to its owners. In July 1929 came the second and more serious crisis. Chang Hsueh-liang, the old Marshal's son and successor, seized the railway, and hundreds of Soviet officials and citizens in Manchuria were arrested and thrown into Chinese prisons.

In our policy of studied impartiality we must note the reasons behind this high-handed action, more violent than those incidents which the Japanese advanced as justifying their military operations in September 1931, were not any disregard of treaty obligations by the Soviet Government. "The real object in view," declared the *Bulletin of International Affairs* (London),[1] "is to be found in the long-cherished desire of the Chinese Government to obtain complete control

[1] Issue dated July 18, 1929.

of the Chinese Eastern Railway to the exclusion of Russian influence."

The illegal seizure of Russian state property and the unlawful arrest of Soviet citizens directly threatened the existence of Russia's one substantial interest in the Far East—the Chinese Eastern Railway, which under Russian administration had rapidly grown in importance. The very real value of the interests at stake in the dispute is shown by the fact that the number of passengers carried more than doubled between 1925 and 1928, and freight rose from 3,000,000 tons to 5,459,000 tons in 1928. Millions of rubles were expended on the renewal of equipment, the construction of workers' homes, and new rolling stock. Further, the Sino-Soviet treaties of 1924 provided that the working staff of the line should be composed of equal numbers of Russians and Chinese. To carry this clause of the treaty into effect, the Bolsheviks proceeded to train large numbers of Chinese in railway work, and the number of Chinese employed on the line in 1928 (17,841) was treble as great as three years earlier, and in excess of the number of Russian employees (13,300) at that date.[1]

There was, therefore, no administrative excuse for the action of the Chinese authorities in seizing the railway; indeed, in the controversy which followed, the Chinese authorities never once expressed any com-

[1] Dr. R Perech in the Berlin *Vossische Zeitung*, July 24, 1929, quoted by Louis Fischer in *The Soviets in World Affairs* (Cape)

plaint concerning the joint management of the undertaking.

The Chinese action profoundly disturbed the Foreign Offices of the world, where it was recognized as producing a serious situation, and one which, if the U.S.S.R. had aims of territorial extension in the Far East, provided ample justification for a Soviet invasion of Manchuria. The crisis was, in short, an acid test of the sincerity of Russian intentions when abandoning treaty rights in China, and no nation watched developments so closely, or learnt more from what occurred, than Japan.

From the first moment, Moscow sought to localize the conflict, and liquidate a dangerous situation without recourse to arms. Plainly war with China was the last thing Moscow desired. But following the seizure of the line a new and more serious danger appeared in the shape of thousands of anti-Bolshevik Russian exiles, intent upon widening the Russo-Chinese breach, and between July 18 and August 18 eight raids into Soviet territory were made by mixed forces of Chinese and White Russians. Moscow held its hand, hoping that the intervention of the United States would bring a settlement of the dispute and the release of the arrested Soviet citizens.

On September 9, the Soviets handed to the German Ambassador at Moscow (Germany was attending to Russian interests in China during the dispute) a second Note calling attention to attacks by Chinese and

White Russians upon Soviet steamers, frontier guards, and Soviet territory, and the ill-treatment of Soviet citizens. No satisfaction being forthcoming, and the invasions of Soviet territory and torture of Soviet citizens continuing, Russia's patience became exhausted. She had certainly behaved with moderation in the face of repeated attacks and much provocation. Moscow decided upon action, and on November 18, 1929, a Russian military force entered Manchuria.

China, faced with determined action, instantly changed her tactics and came to terms.

"The news from Manchuria confirms the Japanese anticipation that the Russians did not intend an invasion," stated the Tokyo correspondent of the *New York Times* (November 28, 1929). "The Russians apparently have not occupied any Chinese towns and are back on their own territory. They have given the Chinese a severe slap, humiliated them by disarming 10,000 troops, and scared Mukden into a settlement, all by a relatively small operation which led to no entanglements."

To which Mr. Louis Fischer has added:

"The moment the Red army marched in, the Chinese and White Russians fled. Their commanders deserted, and the disorganized soldiers looted as they ran. The looting was debited to the Bolsheviks. The extent of the Chinese retreat was made out to be the extent of the Red advance. According to a United Press dispatch of November 26 from Harbin, the

Soviet forces actually halted thirty-eight miles from the border, and then returned to their base." [1]

Following this show of force, outstanding issues concerned with the Chinese Eastern Railway and with Bolshevik propaganda in Manchuria were settled by negotiation between the two Governments concerned, the railway returning to joint Sino-Russian management. It was not a completely successful settlement. The joint management of this important line of communication, and the necessity for consulting a foreign Government on matters of administration, remains a source of grievance to the present nationally-minded Chinese Government at Nanking. But it is improbable, in the absence of political factors, that Moscow will permit her interest in the railway seriously to embroil her in the troubled waters of Manchurian affairs. It is more probable, if that issue could be not averted, that Russia would choose to sell her interest in the line either to China or Japan, and thus free herself from an embarrassing possession. Certainly such a step would find favor in Moscow if any form of armed intervention were the alternative.

The events enumerated above have for two reasons an important bearing upon the recent history of Manchuria. Not only did the dispute of 1929 show that Moscow, at the moment at any rate, has no ambitions of territorial conquest in that region. They also formed a precedent for Japan two years later, if she had been willing to restrict her display of armed force

[1] *The Soviets in World Affairs*, p. 801

to securing the redress of grievances. Had the Japanese authorities wished to make a demonstration, the occupation of Mukden would have sufficed to impress upon the Chinese authorities the need for compromise and the settlement of outstanding issues. But in 1931 the issues were not so simple, nor was honor so easily satisfied.

It is possible, however, that Russian policy of non-intervention in the Sino-Japanese crisis was dictated by diplomatic considerations and the known reluctance of Moscow to rally the capitalist nations behind Japan by taking action in the Far East which might result in a Red scare.

Secret diplomacy is never so secret as when the strings are pulled in Moscow, and here we enter the realm of conjecture. But it is at least possible that Russia saw in the Manchurian crisis an opportunity to bring one stage nearer that alliance between Japan and the Russian Soviet which has long been a cherished dream of some Soviet diplomats. If such was the case, it would account for the absence of criticism of Japanese imperialism in the Soviet press, and the mild terms of the pronouncements of Soviet Ministers regarding Japanese actions on Chinese territory. There is ground for the statement contained in rumors circulating in Paris and elsewhere of underground negotiations being conducted, during the early days of the conflict, between the Soviet and Japan, aiming at an agreement by which Russia would be left free to "develop" her interests in Northern

Manchuria while granting Japan a "free hand" in Southern Manchuria. They may have had more substance in fact than the reports that Russia was giving material aid to the Chinese forces. There is nothing inherently improbable in an exchange of views taking place with this aim, for such an agreement, if effected, would have formed the basis of an alliance between the two nations against the "capitalists" of the United States and Europe, and as such would not displease the military party at Tokyo.

Further, the existence of such negotiations during October and November 1931, would provide the only logical explanation of the tone of comments appearing in the Government-controlled Moscow press concerning the Manchurian crisis. Molotov, for example, surveying the relations of various countries, and the League of Nations, with China, in a speech reported in the Moscow *Pravda* of November 12, 1931, performed the amazing feat of discussing the crisis at length without making a single reference to Japan or Japanese actions in Manchuria! In that speech Molotov criticized freely the "capitalist Governments," declaring that they were interested not in finding a settlement of the dispute but in what each could gain from the situation. That, he said, was why the League of Nations had failed to find a solution. Yet, concerning the Japanese commanders whose actions were partly responsible for the crisis, he was silent.

Similarly, articles in the Russian press stressed the

existence of "antagonism" between the United States and Japan, and added that all declarations of policy made by Mr. Stimson which appear to be pro-Japanese are no more than moves in a deep political game, aiming at:

(1) To prolong the conflict as long as possible so that Japan may become deeply involved in Manchuria.
(2) To provoke a Japanese-Soviet conflict.
(3) To provoke a great war in the East in the interests of international capitalism.

Allowing for Moscow's obsession concerning the villainies of international capitalists, this and similar articles may be reasonably designated as "kite flying" in an effort to convince the Japanese that "Codlin's the friend, not Short." As the American and European nations would shed no tears if Japan and Soviet Russia engaged in a struggle which would leave them weakened militarily and impotent industrially, mutual interests obviously dictated that they should get together to spoil the capitalist game.

That a war between the Soviet and Japan would not have been unwelcome in certain anti-Bolshevik circles is clear when on December 26, 1931, the Moscow press revealed the discovery of a plot, in which a member of the Czecho-Slovakian diplomatic mission was alleged to be concerned, to assassinate the Japanese Ambassador at Moscow, and thus precipitate a conflict. In the state of tension then existing in the

Far East, such a crime, had it been carried out, might well have had tragic reverberations not only for the Soviet but for the civilized world.

Prompt measures removed the danger, whether real or imaginary, and left the relations between Moscow and Tokyo unimpaired. But, obviously, as long as Japanese troops remain in close proximity to the Soviet frontier in Manchuria, and sit astride Soviet commercial interests in that region, the possibility of a "diplomatic incident" drawing the Soviet Union into the conflict cannot be entirely eliminated.

Quite probably, however, the relations between Moscow and Tokyo have yielded more understanding of each other's point of view than the world realizes. Whether or not Japan ever seriously considered such an agreement as the above, is not known. But the *possibility* of an *entente cordiale* between the two nations was certainly kept in mind at Moscow, and must have indicated to Tokyo how far the Japanese advance could overrun Manchuria without the serious danger of a conflict with Soviet Russia.

What is behind this moderation which the Soviet has displayed at every step of a dangerous situation? Has Bolshevik Russia renounced completely the dreams of an ice-free port on the Pacific which for generations exercised such an influence over Russian thought? To say that Moscow kept several factors in mind when deciding upon a policy of non-aggression in the Far East is not necessarily to question the sincerity of their desire that China should

remain united. Soviet Russia does not wish or intend to take advantage of the present chaos in China to advance any schemes of territorial or material aggrandizement, because her Government is opposed to "Imperialist conquest." She also knows quite definitely that any move in that direction would precipitate the formation of an anti-Bolshevik *bloc*, headed by the United States, France, and perhaps Japan, against her, which would deny success. Wide circulation has been given to rumors that Russians were directing the Chinese opposition to Japan's advance, and a mistake in the Far East might jeopardize the Soviet position. If the Great Powers are jealous of each other, and bound by treaty not to secure territorial concessions at the expense of China, they are rightly united in their distrust of, and opposition to, Russia. Any move by the Soviet might, therefore, only lead to the complete expulsion of Russian interests from Manchuria. A further reason for Moscow's attitude is to be found in the speeches of members of the Russian Government.

"The Soviet has never concealed the fact that our sympathy is with the Chinese people (not the anti-Bolshevik Kuomintang Government, be it noted) striving for their independence and national unity," says Molotov, in the speech already quoted. "The Chinese peasants are looking for their own road to liberty and believe that Russian methods are the best." Soviet Russia, which declares itself to be the inspiration and example of the "toiling masses" the world

over, has made one attempt to swing the Chinese Revolution over to Bolshevism. That attempt failed, but may not Moscow still believe that in China is the most fertile field for Bolshevik ideas? One false step, which might cause the Chinese proletariat to identify Soviet Russia with the capitalist Governments, and all that the Moscow propagandists have striven to achieve in China would be lost. Hence Moscow's policy of non-aggression is also a policy of self-interest, or rather, is dictated by Russia's desire to see a Communist republic on the Russian model established in China. It remains the foundation of Russia's benevolent attitude to China. And if Communism can be made a growing force in that country, there will be no change of policy at Moscow, unless it is accompanied by an arrangement with Japan which, by ranging strong forces on the side of the Soviet, would enable her to hold her winnings against the resultant world action.

Dreams of a Russia dominant on the Pacific seaboard have been merged into this greater dream of a Red China. For Communism has learnt the lesson that so long as Russia, a Communist state, gains equal rights with other nations, actual ownership does not matter. It may even, in the present state of world feeling, become a liability. With a Bolshevized China looking to Moscow for inspiration, Russian influence in the Far East would reach its highest point, and Moscow would secure a position of dominance which

no amount of land-grabbing or concession-seeking could secure.

This brings us to a third reason dictating moderation at Moscow. The Soviet rulers have learnt well the lesson that the pen is mightier than the sword. Their successes at home and abroad have been the fruits of the propagandist, not the soldier. And while the path of the Communist orator in China has not been a smooth one, still they have persevered, and are disinclined to take any action which would, by antagonizing the *de facto* Chinese Government, jeopardize their freedom to continue propaganda in the Far East.

For ten years the diplomacy of the United States and Western Europe has been matched by that propaganda from Moscow, with the laurels going to Moscow. Russia having surrendered the "unequal treaties" and seeking no privileges is in a favorable position and has a good case for claiming the sympathies of a newly-awakened China. By moderation in the face of breaches of treaty rights by the Chinese, that position has been still further strengthened, until today she points to her own record in contrast to the attitude of others.

Add to these reasons the further fact that a foreign war would be disastrous to the Five Year Plan, and that a war in Manchuria, with insufficient transport and a lack of enthusiasm on the part of the great mass of Russian citizens, and it will be realized that Moscow has shown not only diplomacy but wisdom in

declining to become embroiled in a conflict, entry into which, however great the provocation, would find ranged against her the anti-Bolshevik forces of the world.

The Bolsheviks appreciate the difficulties that would confront them in a campaign in the Far East. More than five thousand miles from the seat of their power, in a distant land with a hostile environment, imperfect machinery with which to wage the war, and the fundamental principles of command and direction lacking, the venture could only result in failure.

Officially, Soviet Russia supports the policy of the "open door" and identifies itself with the great trading nations, who view with some misgiving the action of Japan in establishing a virtual protectorate over Manchuria. Unofficially, Communism bides its time; but the time is not yet. For that reason at least, any settlement in the Far East tending to curb the power of Japan will be acceptable to Moscow, which will continue to support the Chinese demand for national unity, irrespective of any opposition or lack of enthusiasm on the part of China herself.

Meanwhile, it may be noted that Russia is the one nation which, probably owing to preoccupation within her own borders, has not enlarged her share of Far Eastern trade during the past decade. By "liquidating" most of her interests in the Far East, Soviet Russia has turned herself from what the Japanese regarded as the "Muscovite menace" into the "dark horse" of the Pacific—a force which, while inscru-

table, cannot be left out of account, if only because of the fact, which must not be forgotten, that next to China herself, Soviet Russia holds sway over a greater area of Asia than any other Power.

CHAPTER VII

INTERNATIONAL RIVALRIES IN THE FAR EAST

THE United States share much of the limelight playing upon the various nations of East and West, for they were the first to draw the Japanese in 1853 from their islands of seclusion and the policy of aloofness that had characterized them, whilst the first treaty that Japan ever concluded with a Western nation was that of March 31, 1854, with the United States.

By a policy of peaceful penetration the Americans brought about a new Japanese outlook, culminating in the opening up of the country to the commercial enterprise of the world. Whilst the foundations of progress and friendship were being laid, the years of isolation had been put aside, and the enterprising and imitative Japanese began to tour abroad and see something of the great world beyond their own shores. Missions set out to investigate the wonders of the West, the creation of armies and navies was gone into and how they might be adapted to Japanese needs. They studied the building up of a nation and its ordeal by battle, recognizing that there might come a time when questions would have to be answered by a tribunal to which all nations have, at one time or another, inclined—the assize of war.

The searchlight of investigation was turned on to the best that Europe could produce for the study of the art of war, the supreme touches, in so far as concerned the army, being given by Germany. To the German military professors fell the task of implanting the science of command, of how to create and organize, of how to utilize the resources of Japanese territory and its population during any war that might arise, with the minimum of sacrifice in time of peace.

For the creation of a fleet, that was later on to prove its worth, the British Navy was chosen as the model, and never had teachers a more attentive or eager audience than the pupils from the new Far East.

Between the scientific conception of a rising nation, with all its concomitant parts, and the art of direction and administration, there is a vast difference. The stages are long and arduous, and the road is beset with many obstacles. Each demands the application of definite principles to concrete cases, which it has taken much time, labor, and patience to ascertain. The Japanese appreciated these simple facts; they knew that only after this process had been gone through could they hope to possess the talent and skill for running the civil and military machine in all its phases and under all conditions.

From the West they brought the traditions of permanence and unity, together with stability and a system of economy in their creative work, welding the whole into one driving force most suited to the moral and political temperament of Japan. In the feudal

system and ethics of the old samurai Japan possessed a great moral force which had no parallel elsewhere, coupled with resolution and an abiding spirit of patriotism, the highest ideal that inspires Japanese conduct.

The years went on and missions and investigators came and went. The tide of emigration increased, and the pressure of expanding population became so pronounced that Japanese attention was focused on the lands adjacent to the home country which were temperamentally and climatically suited to them. These emigrants voyaged to Australia and America, to Europe and Africa, the reception they met with varying in accordance with the national characteristics, and the bias or antipathy towards the East.

In America the newcomers were far from popular; they brought a lower standard of life and wages, they worked long hours and displayed extraordinary patience and industry, they kept very much to themselves, and it was not long before they excited violent dislike, and a serious prejudice against all Japanese sprang up in the United States, especially in California and along the Pacific coast where they were most numerous.

They were regarded as a danger to the States, an inscrutable folk, full of surprises and contradictions, assuming the outward signs of Western civilization, yet still remaining of the East, with its weird beliefs, its unintelligible manners and customs, and its anomalies, so alarming to the New World.

Those Americans who had in the early days seen the Japanese at home, in their picturesque and romantic surroundings, thought them an artistic people, acutely imitative, incapable of any great intellectual efforts, and devoid of constructive ability. When the Japanese came to America and settled alongside the American citizen there was a complete change of opinion and American imagination was startled.

Similar uneasiness was being expressed in Australia, so that the Americans were not alone in their misgivings.

This racial problem also affects Australia, where there is a certain apprehension of a yellow inroad and a colonization of the northern territory by Chinese and Japanese immigrants. The question as to whether Australia should be white or yellow opens up a vast field, and the time is not far distant when the subject must inevitably assume world-wide importance.

A former Commonwealth Prime Minister recently put a question as to how long Australia could hold back the flood, and that unless she were prepared to move forward at a pace never previously contemplated, a situation might arise the very contemplation of which would make Australians shudder; he declared that he was not an alarmist but was merely stating facts.

Ethnically the lands lying between Northern Australia and Japan are suited to the Asiatic, and offer the best solution of the problem of accommodating the surplus population of Japan.

With ambitions towards hegemony in the Pacific, Japan contemplates a colonial empire similar to our own, for the creation of which she has worked, but at the moment is marking time on her course. Part of the field of action for the building of a greater Japan lies within the area comprised by Northern Australia, the East Indian islands, such as the Celebes, Java, Sumatra, and the Malay Archipelago. These are vital from the productive standpoint and of first-class importance in naval strategy and the mastery of the Pacific. If Japanese naval strength goes on increasing at the present rate it jeopardizes the safety of the Australasian colonies, and in the event of our being involved elsewhere, and unable to dispatch a sufficient force to meet potential danger to Australia and New Zealand, those dominions would probably lose their independence and pass under Japanese control.

It is recognized in naval and military circles that Australia is open to naval attack, whilst its capitals contain the majority of the population and so come within range of enemy action from the sea.

As regards Northern Australia, and any pretensions Japan may have in that direction, reliable estimates affirm its ability to support one hundred and eighty millions of Asiatics, in addition to providing large supplies of foodstuffs and raw materials, of which Japan stands in need. The climate is not suited to the European constitution, but agrees with the Japanese, and everything points to Northern Australia

being the scene of action in future population problems as affecting Japan. That is evident to those who have traveled in Northern Australia and over the areas in question.

To return to the American attitude in the racial problem. As time went on economic and social difficulties became more and more complicated; hostile legislation ensued, and laws were passed discriminating against Japanese as compared with immigrants from other countries. Japan protested that her people were being excluded from privileges granted to all other nations, and a grave international issue appeared to be in the making.

American influence and interest in China became more definite in the years following the Chino-Japanese War of 1894-95, when there was a seizure by all the Great Powers of land in China, in the form of leases of territory and spheres of influence. The United States was the exception to the general rule; she took no territory, but, on the contrary, endeavored to stem the tide and prevent the threatened dismemberment of China. This period of grab reached its climax in 1898, and it was a curious coincidence that it should synchronize with the taking of the Philippines and Guam by America after the war with Spain. It certainly appeared to the Japanese as though the Americans intended definitely to establish themselves in the East.

The Chinese, as always, were impotent, and only Japan could make any sort of remonstrance, not that

one was needed, viewing the matter in the light of after events. For the Chinese there were several courses open; they could individually turn the rush for concessions to profitable account, they could raise difficulties, and by promoting international rivalry and jealousies play off one nation against another, or organize a general massacre and get rid of the foreign devils, as they styled them. For various reasons they did not adopt any of these courses outright; they determined to bring about the desired expulsion of the foreigner by a rising of the Boxers, a militant society that, like the followers of the Soudan Mahdi, declared themselves immune from all forms of foreign attack.

The moment this plan was decided upon in 1900 the Boxers laid siege to the Legations in Peking, and launched attacks on the mission stations, a large number of missionaries and others being killed in the rising. With the arrival of an international force under the command of a German field-marshal, the tide turned, the Boxers were defeated and scattered like chaff, and the *status quo ante* restored.

During the Russo-Japanese War, America was, if anything, in favor of the Japanese, who, as a result of their victory over the Russians, developed a pardonable and at the same time somewhat aggressive spirit. This new attitude had its repercussion in America, and eyes were turned towards the East and American possessions, since the Japanese had resented comments that were general in the United States as to

the legality of the Japanese occupation of Manchuria.

The next decided move on the American-Japan board was the dispatch of an American battle fleet by way of the South Atlantic into the Pacific, and so to Japanese ports, where it met with a cordial reception.

There came a rift in the lute in 1910 when the American Secretary of State Knox proposed that the railways in Manchuria under Russian and Japanese control should be merged into one organization and administered by an international board, the requisite finance to be found by that body. In putting forward this suggestion the American Government considered it would obviate friction and the menace of war, and give the railways in general, and Manchuria in particular, a neutral and far more satisfactory aspect than would be the case were the lines to remain under exclusively Russian and Japanese control. Japan took the proposal in a spirit of resentment; she entirely failed to see what right America had to formulate the suggestion, and rejected it with a certain degree of contumely.

There were varying degrees of tension between America and Japan, arising out of international rivalry in financing China, procuring concessions, and securing rights for construction of railways. The British Government, foreseeing a possible rupture between the two nations, and having itself a treaty of alliance with Japan, notified the latter that in the event of any outbreak of hostilities between her and the United States the British Government would not

consider itself called upon to participate. This statement marks an important period in Far Eastern history, for it conveyed in clear-cut terms that an Anglo-Saxon nation would not range itself other than on the side of its kith and kin.

The atmosphere was still a trifle explosive just prior to the war, when the Americans introduced the Bryan arbitration treaty, which was rejected by the Japanese, who did not agree with its pacific ideals; the military party was in the ascendant and its influence paramount. The atmosphere was Prussian and warlike in tendency, and an appeal to arms in case of dispute affecting the welfare of the country appeared more acceptable than anything that might be attained through the channels of arbitration.

On the other hand, almost immediately on the outbreak of war in August 1914 Japan, in view of her alliance with Great Britain, and desirous of giving full and cordial effect to the provisions of that agreement, declared war on Germany, and assisted in driving the Germans out of Tsingtao and Kiachou, which, acquired in 1898, had been converted into a model German colony with all the thoroughness of the Teuton.

Other events in the Pacific followed with dramatic swiftness; there were the Marshall and Caroline Islands which Germany had purchased from Spain at the close of the Hispano-American War in 1898. On these the Japanese fleet now descended and took possession. It brought Japan in close proximity to the

American dominions in the Pacific, and the fear that they might ultimately pass to Japan alarmed American political and military circles, who were apprehensive of the potential menace and inclined to the view that it constituted another milestone on the road to eventual conflict.

The recurring racial controversy has not been conducive to the growth of cordial relations between the two peoples, added to which, as we have seen, Japan's action in China during the war called forth much hostile criticism in America. Only the visit of a tactful Japanese mission to the United States allayed this irritation. Matters improved in 1924 with an agreement setting forth that the United States and Japan had no designs upon the territorial integrity of China, that they would remain true to the principle of the "open door," with equal opportunity for all in trade and commerce, but recognizing that Japan had special rights and interests in China, especially in those regions adjacent to the Japanese mainland.

This agreement came as an antidote, and there was a marked improvement in mutual relations and understanding, although the original causes of disagreement between the two nations still existed.

The varying atmosphere of cordiality and distrust underwent another change during the Great War period with its manifold and bewildering controversies. Japan wished to inherit German rights in China, and establish a footing in the province of Shantung, which German resource, method, and

money had made one of the best settlements in the East, but from which they had been evicted with the help of the Japanese. Japan took over the administration of Shantung, to all intents and purposes it became a Japanese colony, the depth and thoroughness of procedure there so alarming the Chinese that they protested in the strongest terms against the Japanese action as incompatible with their assurances of temporary occupation and a step demanded only by the exigencies of the war.

It was a great opportunity for Japan, and the favorable position in which she found herself led to a large share in control of Far Eastern trade and enhancement of Japanese reputation and prestige. German influence had been entirely eliminated, and Britain was so closely occupied in a life-and-death struggle in the West that she had little time to devote to matters so far beyond the immediate theater of war.

The result was that the trade of the East fell almost entirely into Japanese hands; and everything was developing in favor of Japan. Japanese shipping and commercial companies were declaring exceptional dividends, foreign indebtedness was vastly reduced, and the additional wealth, acquired by industrial and commercial efficiency and a dominating influence in Asiatic markets, grew to a phenomenal figure.

With this rise in the national assets came a more pronounced and aggressive policy towards China; Japan did not wait long to make a bold bid for pre-

dominance in the Far East. In 1915 she presented the famous Twenty-One Demands, to which reference has been made in a previous chapter, so drastic and grasping that had they been conceded no shred of sovereignty would have been left to China.

As we have remarked, when the extent of these demands became known to the Western world they excited highly adverse comment and did much to alienate sympathy for Japan. It was an ill-timed and unjustifiable attempt to take advantage of Allied embarrassments in Europe, and secure a footing on the mainland of China which other times and circumstances would certainly have denied.

American attitude over the Shantung question was intensely distasteful to the Japanese; they considered that their rights in Shantung were at least as justifiable as the American occupation of the Philippines, especially as Britain and France had agreed to the transfer of all German rights, title, and interest in Shantung to Japan, which arrangement had been ratified by the Peace Conference in Paris, a proceeding that came as a great shock to the Chinese.

When the Chinese joined the Allies they did so in a spirit of optimism, hoping that victory might enable them to recover what they had been compelled to cede to various Powers in the past. These hopes were rudely dispelled at the Conference and a shattering blow was dealt by which Japan was to step into the place formerly held by the Germans. It led to the flat refusal

of the Chinese to sign the Peace Treaty and increased the antipathy towards Japan.

So strongly did America oppose the surrender of these rights to Japan that, largely due to her attitude and feeling on the subject, the Japanese withdrew their claims and Shantung was restored to the Chinese. But that was only one of the points at issue in which America and Japan did not see eye to eye. The United States spoke somewhat forcibly with regard to Japanese action in Korea, and the severity of the measures adopted in that country to put down a revolutionary movement. This plain and outspoken attitude had a good effect, and thenceforth Japanese administration took on a more benevolent aspect.

Other and graver causes of irritation followed; in 1924 an Exclusion Law was passed, one of the clauses of which settled the quota of immigrants from the various countries of the world. This was objectionable to the Japanese, in that it excluded Asiatics from becoming eligible for American citizenship, whilst the Japanese quota was not determined on the same basis as those of other countries.

The Japanese resented the passing of the bill, showing their dislike in no uncertain fashion. American interests were threatened, and the Japanese Government had all their work cut out to curb the tide of anger and hostility that arose throughout the country at what was considered an affront to the nation.

The pith of the Japanese argument was that they should not be discriminated against, and that the

treatment meted out to them should be in all respects similar to that accorded to European nations. It is not for us to say whether this law is ill-advised or unsympathetic to a nation that owes its first appearance to America; it may be that America fears a wave of Asiatic immigration that would place the American worker, as well as trade and commerce, at a serious disadvantage, so low is the standard of life and being in Japan as compared to their own.

The Anglo-American people are apt to regard all Asiatics as ignorant and superstitious; they find them fearful and uncanny, and their ways fill them with alarm. This in some cases is justified, and an Asiatic influx other than Japanese might well be viewed with alarm. It is, however, open to question whether the Japanese wish to emigrate in any considerable numbers to the Pacific coast of the United States, so that the wisdom and necessity of the discriminations are at least open to doubt.

This friction between the two nations has led to the oft-expressed opinion that sooner or later war must ensue, the influence that America is extending in the Far East and the volume of trade, both of imports and exports, affording the material for potential dispute.

There is, however, no logical reason why there should be war between America and Japan; the former is most unlikely to take the initiative, and Japan recognizes that it would be her economic ruin. Wealth, and the means to provide for the expense of

a campaign, are the pivot on which success or failure turns. The mainspring of Japanese credit is in America; her supplies of raw materials come from overseas, oil is imported in vast quantities from America, and Japanese natural resources are quite insufficient to meet requirements, as we have shown.

Once the full resources of America were mobilized in men, money, and material, she would be in a position to retake any ground lost, and could transfer the war to Japanese waters. The struggle would be economic, and Japanese vital dependence upon exports would force things rapidly to an issue. The latent hostility which the Chinese have always shown towards Japan would manifest itself as defeat became more obvious, and indispensable markets would be denied, contributing still further to a complete and disastrous breakdown.

At present Japan is the industrial Power of the East, a position that has been won with 70 per cent of the population engaged exclusively in agriculture. She must surely seek to improve, not retard, it.

In so far as aggressive intentions might be in the American mind, and there is no evidence that any exist, we may briefly refer to the naval and military dispositions of the United States in the Philippine and Hawaiian Islands. The latter came under the American flag in 1898, drawing forth a protest from Japan, who had possibly marked down these islands as her own in the future. The Hawaiians include all the islands in that area, the capital and center being

Honolulu, distant 2000 miles from San Francisco, the base of the American Pacific fleet.

They constitute a strategic position of great value, all the main trans-Pacific steamship lines call there, and as a base for a powerful striking force it is the best in the Pacific. The naval and military garrison now numbers 16,000 men, and the harbor accommodation has been much improved.

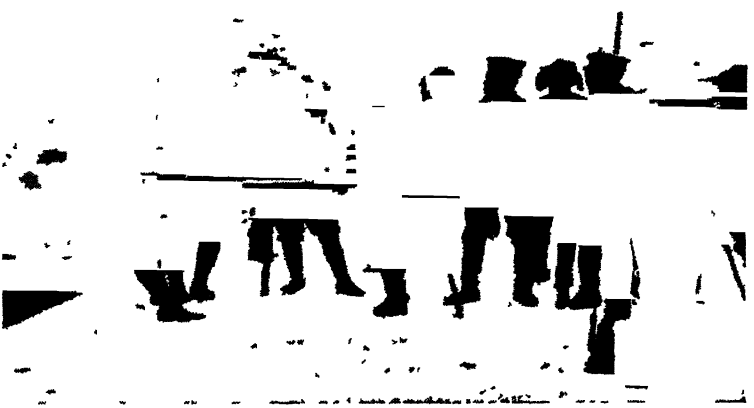
The Philippines include all the islands of the archipelago, with headquarters at Manila, under the command of a major-general with staff and supply services, a total combatant strength of 11,500 men, of whom 7000 are native Filipino troops.

The garrisons of both groups can, of course, be expanded in case of necessity, whilst in the Philippines there is for internal security a constabulary force of about 7000, occupying 162 stations throughout the islands, strategically placed for the preservation of law and order.

Of great importance to the United States is Guam, one of the Marianas or Ladrone Islands, which became United States property after the war with Spain in 1898. The remainder were originally sold by Spain to Germany, and since the Great War have been administered by Japan under mandate. Guam, of much strategic value, is the largest of the group, with an area of 225 square miles and distant 1500 miles from Manila, 1700 miles from Sasebo, the naval port in Japan, and 5000 miles from San Francisco.

The United States originally intended to enlarge

JAPANESE TROOPS ENTRENCHING AT SHAN HAI KWAN, THE GATEWAY FROM MANCHURIA TO CHINA PROPER



A PRISONER OF THE MANCHURIAN "WAR"

A soldier of Chang Hsueh-liang's army, wearing civilian clothing, arrested by the Japanese forces during their advance north of Mukden

the harbor at Guam sufficiently to take the entire American Navy, and a large sum had been earmarked for that purpose, but the Washington Conference, with its limitations for constructional activity in the Pacific, made this impracticable.

So important is Guam in Pacific naval strategy that it would be an easy matter for a hostile fleet holding it to threaten the Philippines, if the island could be adequately fortified and put on a footing commensurate with its value. This is admitted by the Japanese, who recognize that its possession would be an asset to them.

The relative positions of the United States and Japan have undergone considerable modification since the Washington Conference, and warship construction has been restricted by the London Naval Conference of 1931 as well as by other limitations. Nevertheless, the United States Navy has more men in service than the British, whilst the present strength of the Japanese Navy is 88,000 men.

Regarding the strength of the American Navy it should be noted that in number of ships, and aircraft accompanying each warship, it is ahead of the British, whilst in the development of naval aircraft remarkable progress has been made. Every device known to science has been applied in the efforts to produce a naval force that, in personnel and *matériel,* shall be predominant over all possible rivals.

Under a recent act passed by the American Senate provision is made for one thousand aëroplanes to be in

a state of constant readiness for action, whilst a further total of 1947 'planes to be constructed shows that full advantage is to be taken of the power and range of naval aircraft.

A like activity has been displayed in Japan, where, after allowing for the limitations imposed by the treaties already referred to, a first-class naval fighting force has been evolved, thoroughly up to date in all its aspects, with a naval air force of eight hundred machines, this number to be increased so as to eventually bring it into line with that of America.

A *casus belli*, as between Japan and the United States, would be the definite rejection and flouting of the Open Door policy, and a Japanese hold over China such that no other Power would have any say in the Chinese destiny, nor participation in the wealth and resources of the country.

Foreign capital and scientific aid are essential for the development of China; until she is advanced industrially her trade cannot develop, and in all this great work America rightly claims a share.

To sum up, the disparity in economic and financial resources between the two nations is so striking that the result could not be in doubt. With a population of 123,000,000, and an area of nearly 4,000,000 square miles, productive of everything requisite to the sustained life and well-being of the nation, free from the necessity of importing material from overseas for the creation and equipment of its armed forces; with almost unlimited financial resources, and a highly or-

ganized industrial system capable of wide expansion and adaptable to circumstances, the United States would have little to fear from a collision.

On the other hand, Japan gained but slightly during the war from the stoppage of trade amongst the Allies and its partial diversion to Japan. In iron, steel, and chemical products, she can barely supply herself, there is the strong antipathy to Japan in China, and the necessity, spread over a number of years, of devoting all available products and manufactures to the work of reconstruction owing to the immense damage caused by recent earthquakes and upheavals must act as a restraining influence.

Japan's total population, including Korea and Formosa, is 84,000,000, with a combined area of only 260,000 square miles. Her resources are limited, vast sums have been expended on the navy and army, and the resources, both economic and financial, are quite inadequate to meet the demands of a possibly long and costly war, such as would be the case were she to enter the arena with the United States. Temporary successes would no doubt be scored with the capture of the Philippine and other groups, but the main issue would be a foregone conclusion.

Now as to American ideals regarding China and the Far East.

It is clear from the statements of successive American administrations that the United States demands only the Open Door in China, equal opportunities

and privileges for all, with no desire for political advantages.

In this studied policy towards China the United States has fallen foul of Japan, who, as we indicate later, intends to enter into full possession of Manchuria, whatever may be said to the contrary, in which virtual annexation the United States cannot willingly acquiesce.

The United States Government took decisive action with regard to the Open Door policy in 1928, when Secretary Knox proposed that a sum of one hundred million dollars should be provided by British and American bankers to enable China to control the South Manchurian Railway and administer it under international direction.

Japan intimated that the suggestion was one she could not entertain, in view of the sacrifices made in Manchuria and the vast sums expended on the railway and its associated interests. The United States, not to be checkmated without another effort, put forward an alternative arrangement that a parallel line from Kinchow to Aigun, on the Amur River in the north, should be constructed, which was equally unacceptable to the Japanese. The disinterested efforts of America were regarded as unwarrantable interference, and gave the Japanese the impression that trouble might be forthcoming from that quarter in the future.

Finally the schemes were abandoned owing to the

retirement of the British banking group, and to the hostility aroused by the idea in Japan.

Japanese policy *vis-à-vis* the United States undoubtedly shows a desire to establish an economic and political hold over Manchuria, if not over part or the whole of China. The famous Twenty-One Demands sufficiently indicate that, as well as the naval and military agreement of 1918, under which Japan was, to all intents and purposes, to have complete control of the entire forces of China. This agreement has since lapsed, but it is of importance as indicating the line of thought and action.

Standing thus for equal rights America wishes to keep China as an intact entity, and to lead her people along the path of progress. American explorers have done much geographical research in remote parts of the Chinese empire, results of great scientific, historical, and geological import have been achieved by their exploratory enterprise, and American missionaries with their schools, medical institutions, and up-to-date hospitals have been a lasting boon to Asia in general.

There will always be international rivalries so long as human nature remains what it is. The dawn of the millennium is still a long way off, and until it appears nations will safeguard their own interests, and see that others do not steal a march on them.

Since Japan assumed the leadership of the Far East the Western world has developed a strong and abiding interest in that nation as the champion of civilization

there, an advocate of all forms of progress, and the first Asiatic people to blend to a harmonious and successful degree the qualities of East and West, whilst at the same time preserving those of the Japanese people, with their ancient institutions and spirit.

When a nation has such a phenomenal career as the Japanese, such an amazing transformation in a period of sixty years, there are sure to be moments of national stress when it is running counter to the ideas and ambitions of other states, and problems arise of a political or economic nature.

Japanese progress in the East has brought her into close touch with Britain and America, particularly with the latter since the departure from the Monroe Doctrine and the adoption of an overseas policy. The various factors we have noted, such as the acquisition by the United States of the Philippines and Guam adjacent to Japan, the passing of the Immigration Exclusion Law of 1924 barring Asiatics from access to the United States, and the American naval challenge for supremacy in the Pacific, have given color to the widely expressed opinion that the future struggle for mastery in the Far East and Pacific might be between Japan and the United States.

That there is rivalry between the two nations no one will dispute, nor at the same time can it be denied that an essential to the peace and tranquillity of the Far East is cordial coöperation between the United States and Japan. Both are vitally concerned in development of the great markets of China, to say

nothing of the task, in which all Europe must participate, of restoring political stability there. Japan requires American raw material to enable her to supply the wants of the Chinese market, whilst America needs Japanese good will in China for the sale and distribution of American goods. Only by working together can they achieve success; instead of friction over the growing trade of the two countries there will be a more complete understanding and friendship, and although both may differ as to the best method of assisting the Chinese in establishing political and economic stability, their basic aims are identical—the creation of a prosperous and united nation, a colossal task when one considers the factors involved, and the heterogeneous and diverse nature of the Chinese people.

We have said that when the Japanese presented the famous Twenty-One Demands to China in January 1915 the Americans used their moderating influence to bring about an amendment of these drastic requests, which were subsequently modified at the Washington Conference of 1921; then followed the Nine-Power Treaty in which Britain, France, Japan, China, Belgium, Holland and Portugal agreed to maintain the policy of the Open Door, and to give mutually full and frank communication when any question came up for discussion involving the application of the treaty. By this agreement and the Covenant of the League of Nations the Japanese committed themselves to the necessity of conferring with the other

signatories to the treaty, and the Covenant, before undertaking any armed action in Manchuria.

The moment that the United States extended their possessions overseas it brought them into contact with the Japanese, and, as already remarked, this, coupled with the racial restrictions and American views regarding China, and the clash of opinion, created a certain anxiety in political circles. The necessity of maintaining a naval and military force to hold the new acquisitions on the Asiatic side of the Pacific gives rise, as such things always do, to suspicions on the part of Japan, although American participation in the affairs of the Far East and China has been uniformly beneficial to the Chinese, as it was in the early days of Japan, and uniformly on the side of peace and friendly coöperation with China and other nations concerned.

At the same time, champion though she is of the Open Door and equal opportunities, the United States has not yet relinquished extra-territorial rights in China, by which American subjects, in common with British nationals, are immune from Chinese law. This, in the present state of the country, is as it should be. The vital question of extra-territoriality was precipitated by the Bolsheviks, who relinquished Russian rights in that connection in 1924, and thereby condemned Russian subjects to all manner of abuse and injury at the hands of Chinese law as it is to-day.

It is, therefore, fitting that we should comment on

a vital issue in international politics, since it affects Europeans and Americans alike.

This abrogation of rights, essential to the welfare of Europeans and Americans in Manchuria, is of such vital importance that a brief explanation of its scope and meaning is necessary.

As previously remarked, the principle of extra-territorial privileges was first recognized by the Chinese in their treaty with the Russians at Nerchinsk in 1689, the first treaty China had ever concluded with a foreign Power. It was reiterated in two subsequent treaties, and British subjects definitely acquired the right to be amenable only to British law, as administered by British consular authorities, under the General Regulations for British Trade promulgated in 1843.

In the Anglo-Chinese Agreement of 1902 it was stipulated that China, desiring to reform her judicial system and bring it into line with that of Western nations, should receive assistance from Great Britain to that end, who, when satisfied that the state of Chinese law and the arrangements for its proper and honest application warranted her in so doing, should renounce her extra-territorial privileges. The Chinese have several times raised the question, but although thirty years have passed they have made nothing whatever of the opportunities offered them; of progress there has been none, and the task of government is not undertaken with the idea of promoting

the public welfare, but for the sake of self-enrichment and the increase of purely personal power.

For the past five years there has been increasing disorder in Manchuria, with a corresponding decrease in the authority of the government, together with a much greater assumption of power by local war lords and governors. They refuse to recognize the authority of any central government, and show an utter disregard for the administration of civil justice.

Manchurian courts are similar to those in China proper; in criminal cases they move slowly, obstacles are cast in the path of justice, and the flimsiest excuses are given for the non-fulfillment of ordinary legal forms. The law of Habeas Corpus is unknown, and a person may be in jail indefinitely awaiting trial. Indeed, with the frequent change of officials a man might be there for so long that no record of his crime exists; the why and the wherefore have been forgotten, only the man himself is extant, still undergoing the punishment of his lost crime.

The condition of the prisons is deplorable; there reality can be studied with effect. Little or no tendance is given the prisoners, and often food must be found by friends or relatives. The date of trial in the so-called courts is vague, an appeal is of little avail, whilst justice and mercy may be alike denied.

A glaring example of inefficiency and the entire absence of proper inquiry or justice was given in the recent case of the unfortunate Thorburn, whose fate

was only discovered after the most persistent inquiry on the part of the British Minister.

The sacrifice, therefore, of extra-territorial rights would be a fatal mistake on our part, exposing our nationals to grave injustice and indifferent treatment at the hands of Chinese judiciaries and police.

Extra-territoriality has been retained owing to the corruption and malpractices prevalent, and the complete failure of officials to carry out the functions of their office, coupled with the disorder which precludes all hope of impartial justice. Not one of the twenty-two provinces of China is free from rebels, disbanded soldiery, and bandits, whilst piracy on the coast and along the rivers is common, with the onus of protecting foreign merchants and their trade and commerce devolving on the international body, since it is quite beyond the Chinese authorities to assume so responsible a task.

The Powers enjoying extra-territorial rights in China should see to it that ample assurance is given before they are relinquished, and that the local authority in each province is both able and willing to apply the law speedily and impartially, devoid of the delays and procrastination which at present are so glaring a feature.

So far as the administration of Manchuria is concerned the Chinese are incapable of undertaking it, or, indeed, in any part of China. They have not yet attained to an ordered and systematic form of government; the republic exists in name only, with a meager

authority over a limited area. The head of the so-called Government is a president self-appointed from one of the war lords, who controls the military and financial resources, and has, in the majority of cases, graduated in a school of brigandage. No constitution directs the form of rule or assures a hearing to the people, there is no elected body or parliament, and the one or two individuals constituting the *de facto* authority may be deposed at any time by rivals, for their lease of official life depends upon the military activities of their opponents.

The Chinese have produced masters in the arts and in philosophy, no one questions their capacity for work and their title to be one of the world's most industrious races, but they are living in a past age, their material progress in recent years has not been marked, and their philosophy of life is opposed to change or energetic action. Life in China proceeds along lines clearly indicated by authority and age-old tradition; the Chinese are paying the penalty of neglect of modern ideas and to adjust themselves to modern conditions.

A national feeling does not exist in China, although amongst the students educated along European and American lines it begins to make itself felt. Nevertheless, not more than 3 per cent of the people are the least interested in politics, and, until the student and the emissary from Moscow appeared on the scene, political agitation had no place in the Chinese mind.

In the course of many years, as the wave of ad-

vanced thought and ideas passes over China, political organizations, coupled with secret societies and guilds, will exert more influence, until eventually they blossom forth into parties, with definite aims and objects, but that laudable end will certainly not be attained within the lifetime of the present generation. Economic development is impossible whilst the existing anarchy and chaos continue. Moreover, to build up a permanent, constructive, and stable government is a gigantic problem for a people torn with internal dissension, lacking all sense of duty to the common good, and imbued to such a large extent with the motives of personal advancement and gain. It is a task which the Chinese must obviously be left to hammer out for themselves.

CHAPTER VIII

WAR CLOUDS OVER ASIA

IN the opening chapter we saw how Japan rose to her high level, to become the leading power in the Orient, and the recital brought us up to the Great War. We have also seen how Japan wrought great economic changes in Manchuria, mainly, of course, to her own benefit.

With the civil war which has raged in China for the past twenty-one years, the rise and fall of Governments, the coming and going of presidents, and the kaleidoscopic changes which have characterized the situation in China over this period, with the resultant chaos and confusion, it would serve no useful purpose, and merely confuse the reader, to recount all that has happened during these hectic years. The general public the world over has become sufficiently bewildered by the maze of military governors, war lords, marshals, and armies, flitting hither and thither, up one day and down the next, vying with each other in the scramble for loot and power.

Within a space of eighteen years more than fifty Governments have been set up and deposed in China, a dozen presidents have come and gone, and China is still without a ruling authority worthy of the name. The present Government functions only within a

limited radius of its capital at Nanking, a unique situation for a nation boasting the largest share of the land surface of the globe, and the greatest population.

It is our aim to present the Manchurian situation in the clearest light, shorn of all unnecessary detail, and stating the case as it is.

There had from 1930 been increasing friction between the Chinese and Japanese, and the situation was full of dangerous possibilities; the Chinese had exerted efforts to restore order, but they were incapable of asserting their authority, the country beyond the railway zone and the area controlled by Japan was out of hand, and given over to brigands, disbanded soldiery, and hordes of military adventurers.

The immediate cause of the present crisis, as already stated, was the destruction of the railway line near Mukden on September 18, 1931, but the affair that forced matters rapidly to an issue was the treatment of Koreans and the murder of Chinese subjects in Seoul and Chemulpo. There are approximately half a million Koreans in Manchuria, Japanese subjects, and entitled to consideration. Exasperated at the treatment their countrymen were receiving at the hands of the Manchurian local authorities, they attacked the Chinese in the above two towns.

The principal grievance was that they had been dispossessed of their land, always a delicate topic; the Chinese are sensitive where the possession of land is involved, and the local authorities often show lam-

entable ignorance of the extent and area of state property, and what is going on in their midst.

We had a striking example of this in a town where a Chinese was arrested for being in possession of government land and selling the produce therefrom. He had acquired the ground many years before when it was under the city walls, extending along a road constructed in that direction. In order to meet traffic difficulties, this highway had been diverted, and the old road became part of the moat under the battlemented walls. At this stage the landholder took the opportunity of a favorable sale, and presented himself at the yamen with the title deeds. This was the first intimation the local authority had that there was any cultivated land at all in the moat, and it led to the discovery that the produce had been disposed of to a foreign mission. The District Magistrate became seriously alarmed for his own safety, so promptly declared the deeds to be false, and the unfortunate man was indicted for being in possession of government land, although when he took it over some years previously, it was not actually state property. However, despite that convincing fact the matter was closed by the man being taken out and shot.

Land throughout most of the provinces of China yields a substantial revenue, the system is governed by the same principles, and there are no restrictions on its sale and transfer, provided the transaction does not involve dealings with a foreign subject. It was on

this fatal proviso that the unfortunate man came to grief.

Apart from the land dispute, these Koreans laid claim to extra-territorial privileges, arguing that as Japanese subjects, and, therefore, foreigners, they were entitled to them.

Lengthy diplomatic negotiations had ensued on these points, there were the usual interminable delays at which the Chinese are adepts, and strongly worded Notes had been sent from Nanking to Tokyo and Tokyo to Nanking. The Japanese demanded reparation and a proper inquiry into the murder of Nakamura; the Chinese, on the other hand, declared they could only negotiate after the Japanese had quitted Manchuria, an obviously impossible condition. The methods of the Chinese resolved themselves into a course of action calculated to annoy the Japanese; there was violation of the treaties and agreements on a wide scale as already shown.

Settlement of the more vital cases had been promised, but in China the ratio between a promise and its fulfillment is so indeterminate that there is often time for misunderstandings to grow into grave international problems before satisfaction is secured. Obstacles are put in the way; no opportunity is neglected that may help to delay the issues and, if allowed, a case may go on indefinitely until prospects of a settlement become merely a pious hope.

Matters had been aggravated by another case—the Wanshaopan—in Korea some months previously,

where the attitude adopted led to anti-Chinese rioting, but even then the case reached only a partial conclusion.

The Chinese are slow to act, but once their inertia is overcome, they move with dramatic promptitude. When the firebrand of riot blazes up they become yelling demons, intent on murder and rapine; they have been touched to the quick by a spark, and from the simple, affectionate, and often benevolent nature, which is the normal characteristic, they change into beings full of treachery, and aglow with the fire of hate.

So it was on the night of September 18, when, as a Japanese newspaper picturesquely expressed it, "A violent eruption disturbed the stillness of the Manchurian night." The outbreak started, according to the Japanese version, in a curious way. A detachment of Japanese troops was patrolling the line near Mukden when they observed a number of Chinese soldiers disappearing from a point on line where an explosion had just taken place. The patrol thinking that the runaways were directly connected with the blowing up of the line, pursued them, and they were surrounded in a building. The Japanese summoned reenforcements, a cordon was drawn round the place, and a severe fight ensued, in which some three hundred Chinese were killed, and a large number taken prisoner, the remainder effecting their escape.

Once action had been taken, events moved rapidly. The Japanese occupied Mukden and took over the

civil administration, disarmed the Chinese police and such military forces as they found within the city, and to some extent calmed a startled public.

Credit is due to the Japanese organization and state of preparedness which enabled them to act rapidly and with good effect, obviating what might easily have been a riot and general massacre.

Coupled with their action at Mukden they placed Southern Manchuria under military control, and took steps to safeguard Japanese nationals and their property. A meeting of the Cabinet was hastily convened at Tokyo, whilst the Nanking Government also met and passed resolutions condemning the Japanese action and throwing the blame for all that had happened on Japan.

The Japanese preparations were thorough and formed the logical sequence in the chain of events affecting Manchuria.

Their main base was established at Dairen, the famous port on the Talienwan Bay that is a monument to Russian constructive ability, and marked the summit of Russian progress in the Far East in the early days of the present century, when the carefully prepared plans for Eastern dominion seemed so certain of fulfillment.

Dairen is an ideal base for a force operating in Manchuria; it has fine docks and breakwaters, ample room for the world's largest liners, and quays to accommodate the supplies of all kinds sufficient to last the army for an indefinite period. Here the Japanese

transports can arrive to discharge their cargoes of provisions and forage, and the battalions of cheerful little men in khaki and steel helmets all eager to proceed to the scene of action.

As has been stated, from Dairen the trade lines radiate to all parts of the world; eastwards across the wide Pacific to America, southwards to Australia, and southwest through the China Sea to the Dutch East Indies, Singapore, India, and Europe. In a little over two decades this tiny fishing village of Dairen has developed into one of the world's busiest ports, due to the immense growth of traffic over the South Manchurian Railway and the opening up of the country traversed by that line.

It is an imposing base, with its spacious squares and plazas, laid out on the American principle, the wide avenues radiating from the city center like the spokes of a wheel.

By Dairen passes the army of immigrants, Japanese, Chinese, and Korean, at the rate of six thousand a day, a ceaseless wave through the gateway to China's land of promise.

It is well equipped with everything requisite to the modern army and navy; patiently elaborated plans of the Japanese General Staff have provided for everything by which an army moves and effects its objects; from Dairen forces can be put into motion by a few simple commands, and by road and rail transferred to any desired point within the Manchurian theater.

From Dairen the Japanese movements can be veiled

in more or less secrecy; there is a strict censorship when circumstances demand it, so that nothing leaks out that may disclose the plans, or the position and movement of the naval and military forces. These precautions are thorough in Manchuria, with the result that the Chinese are in constant doubt and never know from one day to another what may eventuate. Order, counter-order, and disorder, follow in quick succession, as Moltke once said, when there is no news to be gained of the other side. With the Japanese the art of keeping the opposition in a state of uncertainty has been highly developed.

The essence of the Japanese plan was to move with swiftness and secrecy, the censorship casting a pall over the scene, and giving no indication of the compelling motives actuating the advancing force. In face of the brigandage and chaos that must ensue from contact with, and retreat of, the Chinese forces, the rapid occupation of Manchuria would be urgent for Japan. On that vital factor the plans were elaborated.

The lines of communication of the forces operating in Manchuria have been arranged in accordance with the teachings of the best European models. A well-organized system of communications is all-important, as every soldier knows, and the Japanese have been at pains to insure that nothing shall be lacking to assist the army in its definite aims. Provided as they are with an admirable railway and its subsidiary lines, a number of points adapted for all-

round purposes have been fixed for the supply depots, where the columns can fill up and make good any deficiencies.

Provision has also been made for the construction of light lines should occasion arise, and at the important strategic points are the advanced bases complete with everything the army may require, from shells to canned rations, the whole of the line of communications coming under the command of a general officer, and safeguarded by special troops.

With their well-equipped advanced bases in Manchuria the Japanese are able to pass from a defensive or quiescent attitude to one of attack, secure in the knowledge that they can do so with ease and certainty, without running the risk of starvation or being held up for lack of munitions.

Moreover, in Manchuria the army can to a large extent live upon the country, unless it is actually operating in the mountainous regions where movement and supplies are alike restricted. The Japanese columns are mobile, and do not require the infinity of things demanded by a large and cumbersome army, which is dependent almost wholly upon the railway and the supplies it receives through that medium.

For the successful prosecution of a plan of campaign in Manchuria the basic principle has been to utilize as far as possible local resources, and to accumulate supplies at each of the advanced bases up country. A thoroughly efficient and working reserve is thereby created, the strategic direction and movement

THE JAPANESE OCCUPATION OF MANCHURIA

An advance post held by the Mikado's troops, flying their flag, during the operations against the Chinese forces

of the columns are guaranteed, and indiscriminate requisitioning of supplies, and turning a prosperous country into a desert is avoided.

The Japanese know full well the value of preparation to enable them to hold the initiative in all their operations, and they have left nothing undone in their civil and military program which shall contribute, as far as is humanly possible, to the retention of Manchuria as the pivot on which turns the life and welfare of Japan.

As a preliminary it will be necessary to clear the country of bandits, and for this highly mobile columns of mounted men are essential, but the Japanese are indifferent horsemen, and their cavalry is the weakest arm. Something in the nature of the Russian Cossacks is indicated; the bandits are not to be beaten by modern drill methods, nor by the application of principles that apply to highly trained civilized units. They can be rounded up by a combination of Boer and Cossack tactics, whilst the bands of discharged soldiery operating in the plains away from the hilly districts, can be accounted for by a series of sweeping movements and drives organized on the lines adopted in the South African War. From recent reports it would appear that the Japanese intend to follow this plan.

Let us now follow the Japanese in their movements subsequent to the incident at Mukden.

At this time their forces, totaling about 10,400, were distributed over the railway zone, the apparent

plan of the commander being to hold the important strategic points on and adjacent to the railway. The troops formed a mobile striking force, with artillery and airplanes, the staff work was good, and the military machine operated like clockwork. Owing to the superiority in organization, direction, and morale, it is not possible to compare the merits of the rival combatants; but it is certain the Japanese have the genius for modern operations of war.

If we compare Chinese with Japanese strategy the balance of merit is overwhelmingly with the Japanese, since the Chinese have not added to their experience by study and reflection, the principal distinction between trained and untrained armies.

From the taking of Mukden the steady progress of the Japanese operations continued, aiming at the restriction of the zone occupied by the Chinese and control of all important points as a measure of self-protection.

Early on the morning of the 19th General Honjo, Commander-in-Chief of the Japanese forces in Manchuria, arrived at Mukden to direct operations. The advance was swift and steady, and by five o'clock that morning Kwang-chengtze had been occupied, an important junction of the South Manchurian Railway, the Chinese Eastern and the Kirin-Changchun Railway.

The Japanese held in readiness a division in Korea, and widened the scope of their plans by an occupation of Newchwang and Kaopangtse. These movements

proceeded concurrently with repairs to the railway, which was reopened for traffic in the afternoon; this eased the situation and the orders for the division from Korea to move into Manchuria were canceled.

Meanwhile in Tokyo there was friction between the Foreign and War Offices as to the scope and extent of military activities, the civil authorities wishing to localize the issue and avoid anything in the nature of a campaign. The Japanese had shelled the Mukden arsenal, in which many Chinese had been killed, and there were other instances of shell fire and bombing which embarrassed the Foreign Office in Tokyo.

On the 22nd the Japanese were moving towards Harbin, meanwhile consolidating their hold on Kirin and points within that province, the operations being marked by bombing from airplanes which the Japanese considered they were justified in undertaking against bodies of Chinese troops wherever they were encountered. These indiscriminate attacks do not appear in every case to have been warranted, especially as harmless villages were sometimes involved.

There was a renewal of these bombing operations on October 2, when airplanes out reconnoitering bombed a number of Chinese troops along the Harbin-Mukden Railway, whilst on the 8th they dropped bombs on Chinchow, which, after the taking of Mukden, had been made the headquarters of the Manchurian Government.

The Japanese put forward as their excuse for this

that the Chinese had fired on the airplanes, a statement denied by the Chinese themselves.

A reënforcement of 4000 had now arrived from Korea, and by the end of October the Japanese had established themselves in the south, and completed their preparations for the advance on Tsitsihar.

With these movements the situation assumed a further, and more alarming phase. Soviet Russia declared that if the conflict was to extend they might be compelled to intervene, on which the Japanese stated their action was merely intended as a safeguard against attack and spoliation of their nationals, and that no acquisitory tactics were contemplated.

Four days later Taonan, the most important point on the Chinese Eastern line, was taken over; there was considerable banditry in this district, which brought about the spreading of Japanese forces, not in large, but none the less effective numbers, to other strategic points in Manchuria that were undoubtedly Chinese territory.

Coincident with the Chinese attacks and insecurity of the railway zone, an anti-Japanese boycott set in, stormy meetings of students were held at Nanking, and great efforts were made to force the Government there into precipitate action.

The Nanking Government next appealed to the League of Nations, giving it the hardest proposition it had yet encountered.

The Japanese argued that there are some 200,000 of their nationals, and approximately one million Jap-

A "BATTLE PICTURE" FROM THE JAPANESE FRONT LINE

Burying Japanese dead after the Nonni Bridge battle, in which 1,000 Chinese troops were killed, the Japanese casualties being 38 dead and 145 wounded

anese subjects of Korean origin, who are directly affected by the South Manchurian Railway, the cause of the dispute. In their opinion it is of vital importance to these people that the terminal link of the Trans-Siberian Railway running down to Dairen, should remain inviolate. They again disclaimed all territorial ambition, adding that Japan has all she needs and desires in her present treaty rights, and asks only that these rights shall be internationally respected.

The official communications of the Japanese Government did not reveal to the outside world the strength or weakness of their case, nor the depth of the national feeling. It came as a surprise when the intervention of the League was more or less resented, the argument being that any interference might make matters more difficult and inflame Japanese public opinion.

Meanwhile, concurrently with the efforts of the League, and the diplomatic contest going on, separatist and independent movements were attempted in the North and Inner Mongolia which there forms the Manchurian boundary, to which the Japanese gave no encouragement. The Mongolian effort was an echo of previous years, when there had been much dissatisfaction with China. It arose over Russia, who had always taken a special interest in Mongolia. With the fall of the Chinese monarchy in 1911 and the subsequent revolution, she thought the moment opportune to create a buffer state between herself and China,

as well as to secure commercial advantages. Russia, therefore, supported Mongolia in its resistance to the Chinese, supplying arms, ammunition, and military instructors. This was followed by the recognition of the independence of Outer Mongolia lying beyond the Great Wall, and the appointment of a Russian Minister to the Mongolian capital at Urga.

The Chinese tacitly agreed to the autonomy thus won, not being in a position to combat it, harassed as they were by domestic difficulties and foreign and political embarrassments.

With the coming of 1917 and the advent of Bolshevism the tide turned, for the Mongols were dependent on Russia for material, and particularly money, the ruling factor in most disputes.

The Chinese dispatched a force to Urga, which the ill-trained and numerically weak Mongol army was unable to resist, Mongolia being compelled to relinquish her newly-found independence and resume her place under Chinese rule.

These events are of psychological interest, in that they throw light on the decadence of the race. In the heyday of their fame the Mongols were Moslems, and had they remained so, instead of embracing Lamaism, the perverted form of Buddhism, they might easily have maintained their place as one of the greatest nations of the East. Lamaism was introduced from Tibet after the death of the Mongol conqueror Kublai Khan in 1295; it is a branch of Buddhism differing in details from that founded by Buddha, who was re-

garded as the incarnation of the divine essence, and numbers among his followers a quarter of the human race.

Then came in Tibet the creation of a hierarchy in the person of a Dalai Lama, the Sea of Wisdom, whose judgment in all things is supreme. The second in this hierarchy is the Tashi Lama, the Hutuktu of Mongolia or Pope of Lamaism, completing the triumvirate. None of these pontifical lamas dies; he merely discards the mortal envelope and is rejuvenated, his spirit appearing in the person of an infant, and thus he is reborn into the world to continue his earthly existence. The selection in Mongolia is confined to a number of infants, whose names are written on scrolls and deposited in a golden urn, from which the slips are taken as in a lottery, the child thus drawn being adopted as the reincarnation of the deity.

It may be said that a separatist movement in Mongolia has little hope of success; the tenets of Lamaism stifle all ambition, they are opposed to war or the taking of life, the prolongation of the latter being a virtuous act. Sometimes two and more sons in a family are dedicated to the lama calling, amongst which celibacy is enjoined, so the birth rate is correspondingly low. Education is unknown among these lamas, and they lead a life of indolence and ease, with no incentive to work when all that is requisite can be had for the asking, whilst in addition they extort a considerable amount by preying on the superstitious fears of the people.

For centuries the spell of Lamaism has gripped Mongolia, its progress has been arrested, and a great nation has degenerated from the sapping of its virility and self-respect. Nearly fifty per cent of the men are lamas; it may be even more, and the number is on the increase, for the lama is supported by his lay brethren and exempt from government or military service.

It explains the reason why the Chinese authorities have fostered Lamaism as the best means of restricting the population, and obviating a resuscitation of the race.

So much then for separatist tendencies in Mongolia. With these and other obstacles hampering the Japanese in the task of restoring tranquillity, came grave economic conditions, the closing of banks, and a period of panic which paralyzed trade and threatened disaster to the community.

By the end of September 1931 the situation was sufficiently well in hand to allow of the Chinese police resuming their duties in Mukden; this, with other signs that the danger period was past, leading to a return to normal conditions.

Matters were, however, pursuing a different course within the area of the Nanking Government; large bodies of students, the product of Europe and America, carried away by ideas of equality with Western nations, were clamoring for determined action. Always ready to fan the fire of discontent and anti-foreign feeling, they are apt material for a

revolutionary campaign, devoid of any constructive acumen, and lacking the balance and sense of proportion so vital to the molding of a new nation.

Wang, the Chinese Foreign Minister, endeavored to pacify these hot-heads, but they would have none of it, and demanded only the unconditional expulsion of the Japanese, a course of action the Chinese were manifestly incapable of taking. Wang suffered severely for his moderation; he was seized by the irate students and so badly mauled that it was necessary to appoint an acting Minister in his place. The post was offered to Dr. Sze, the Chinese Minister in London and representative at the League's meeting in Geneva, but he declined the honor, preferring the safety and comfort of Europe to the vagaries of a Chinese student mob.

The tide seemed to set against the Chinese, for differences then arose between the party at Canton and its rival in Nanking, serious floods occurred at Hankow and in the Yangtze Valley, and famine and distress menaced the country to a greater extent than the Japanese. The organization for coping with such disasters was, as usual, non-existent, and but for the aid rendered by foreigners the death-roll would have been far heavier.

Since the original outbreak in September the trouble has developed by stages, the opening phase of which we have dealt with.

After the seizure of the civil, and its replacement by a military, administration, local councils were

formed, these subsequently giving way to an improvised provincial government for each of the three provinces, comprised principally of local Chinese. This would appear to demonstrate that the Japanese desire the Chinese to run the machinery of government as far as possible, but to be effective it must have sound political direction, which the civil service is unable to give until the military relinquish control.

The Manchurians themselves appreciate the sense of security and orderly administration prevailing, which, to a people threatened with growing misrule, must appear as a dream. The Japanese have certainly shown restraint, and the discipline of the troops, coupled with their attitude towards the inhabitants, is at least an item in their favor.

In the meantime there were several dramatic moves in the military sphere. In their retreat the Chinese had damaged several bridges across the Nonni River, and a mixed Japanese force was detailed to effect repairs, preceded by airplanes which carried out bombing operations on sundry towns and villages, inflicting many casualties, the necessity for which is at least open to doubt.

It was determined to repair and occupy these bridges over the Nonni, the Chinese being warned not to approach within six miles of them. In spite of this, however, fighting ensued, and the Japanese by a series of outflanking movements effected their object and established themselves up to Anganchi, the junc-

AN IMPROVISED HOSPITAL TRAIN

Japanese Red Cross men entraining stretcher cases into the dining-car of a train used as a field hospital on the Tsitsihar-Honan line

tion of the Chinese Eastern with the South Manchurian line.

The Japanese declared that it was not their intention to advance to Tsitsihar, and that the troops would be withdrawn as soon as the repairs to the bridges had been completed.

Nevertheless, they occupied Tsitsihar unopposed on November 18, the Chinese General Ma withdrawing to Taerha, thirty miles to the north. At this stage the American representative at Geneva expressed in severe terms his strong disapprobation of the Japanese procedure in occupying Tsitsihar after an undertaking not to do so.

From now until the end of December 1931 Japanese operations were confined to consolidation, and the maintenance of law and order.

Marshal Chang Hsueh-liang had decided to withdraw the Chinese forces within the Great Wall, which was effected by the 29th, and on January 3, 1932, the Japanese 20th Division occupied Chinchow, thus acquiring virtual mastery in Manchuria. The retirement of the Chinese forces had been insisted upon by the Japanese commander-in-chief, who considered that their presence in the Chinchow area was highly provocative.

With the evacuation of Chinchow came the end of the brief connection between Manchuria and the Nanking Government, and the provincial governments which recognized Japanese rights were able to extend their authority over Manchuria.

But if the so-called regular forces of the Chinese had departed, the country was still overrun with bandits, who on January 4 attacked Sinmin and were only repulsed after reënforcements had arrived from Mukden. They followed this up on the 10th by another success. A Japanese cavalry detachment was operating west of Lienshan, in the Chinchow district, when they encountered a large force of bandits.

A hasty reconnaissance revealed to the Japanese commander that the enemy were in overwhelming numbers, and he issued orders for an immediate retirement. But it was aready too late. The bandits were moving to right and left of him, and the net they had cast around his force rapidly closed. No other troops were near enough to interfere. Yet the Japanese were not to be denied, and with half their force killed and wounded they still held on until relief arrived in the evening.

The disaster to this detachment revealed to the Japanese that the bandit organization was a more serious one than even they had imagined, and it led to greater caution on the part of columns, and numerically weak detachments, in their operations against the brigands and hordes of undisciplined Chinese irregulars.

The reverse in question was, however, merely a minor occurrence having no bearing on the main issues; organized resistance to the Japanese ceased with the evacuation of Marshal Chang Hsueh-liang's forces south of the Great Wall, and it remains only to clean

up the country of the unorganized and robber elements.

So far as the general military situation in Manchuria is concerned, the Japanese are in a strong position. They have command of the sea, and the line of communications with their home base assured. They are quite at home in the Manchurian theater of operations, and are able to reënforce units at the front with rapidity and ease, regulating their actions by those of any potential enemy, apart from the Chinese, whilst at the same time they can anticipate such action by moving into Manchuria superior forces with greater facility and speed, as well as in a highly efficient condition.

The military operations have proceeded with security and dispatch; but the movements subsequent to the occupation of Chinchow, during the first week of January, are now devoted, as already remarked, to sweeping up.

By January 15, 1932, the whole of Southern Manchuria, with the exception of the Jehol district, has been occupied by the military, the civil administration being confided to the Chinese local authorities under Japanese supervision.

It was not deemed necessary to occupy the Jehol district, since such Chinese irregulars and bandits as were reputed to be in that area were peaceably inclined and unlikely to give trouble.

In the region north of the Chinese Eastern Railway the Japanese garrison at Tsitsihar has been

reduced to approximately two hundred men, and the situation underwent a distinct change for the better on January 21, when the Chinese General Ma with one thousand and fifty men came into Tsitsihar with the approval of the Japanese. This has apparently had a good effect, and their coöperation in the civil administration has resulted in an improved atmosphere of mutual reliance and trust, at any rate so far as can be seen at present.

The Japanese garrison at Mukden is approximately six thousand of all arms, the various towns throughout Manchuria being garrisoned in accordance with their relative importance, and the necessity for conducting operations in their vicinity.

Summing up, we may say that as regards the military factor in Manchuria, both before and after the crisis, the Japanese have had a definite plan—the occupation of the country until such time as their demands, both economic and political, have been fulfilled.

The military policy of Japan during the past few years has concentrated on making a certainty of the retention of Manchuria, which, as we have shown, is of such consequence to the very existence of the island empire. Taking all the factors into consideration Japan has made her calculations accordingly, and whether they be correct or incorrect, they represent the studied views and policy of the nation.

When the moment arrived for the armed forces to

move, the organization was found complete, the machine worked with a thoroughness born of careful preparation, and the occupation developed according to plan.

CHAPTER IX

THE LEAGUE AND THE CRISIS

NO aspect of the Manchurian crisis occasioned such widespread and bitter controversy as the attempts of the Council of the League of Nations to effect a settlement of the dispute.

Both China and Japan are members of the League, both are signatories of the Washington Nine-Power Treaty and of the Kellogg Pact renouncing war. Judged only by superficial facts, the problem confronting the League Council when China appealed to that body under Article XI of the League Covenant to "safeguard the peace of the nations," was simple. China, with her resources exhausted by civil war and disastrous floods and her armies incapable of putting up any real resistance to the advancing Japanese forces, requested the League of Nations to arbitrate in the dispute, thereby placing herself technically in the right. Japan, on the other hand, continued to invade ever increasing areas of Chinese territory, while her representative at the League Council paid lip service to the deliberations of that body—and delayed any decision by every means in his power.

That the task confronting the statesmen of the League was not so easy to solve as many critics of

that body imagined, however, was proved by the fact that the Chinese Government itself deprecated any attempt on the part of the League to coerce Japan, believing that such action, even if agreement could be achieved among the Great Powers, would do more harm than good. Further, while the Japanese had undoubtedly been guilty of flagrant breaches of solemn treaty obligations, and her troops had seized a wide stretch of territory belonging to a fellow-member of the League, usurping the functions of government within that area, the Chinese Government, as has been shown in an earlier chapter, was also guilty of repeated breaches of treaty rights, in many cases rights gained by the Japanese at the expense of a prolonged and costly war with Russia.

Nevertheless, the Chinese Government sought, at a late hour, to base its actions upon its treaty obligations, and, in addition to appealing to the League Council, gave immediate orders that Japanese residents in China were to be protected and that no resistance was to be offered to the Japanese advance in Manchuria.

The League Council first considered the dangerous situation which had arisen at a session held from September 22 to 30, 1931. At this time the information available at Geneva suggested that the Japanese army in Manchuria had got out of hand, and that the Japanese Government was striving to regain control of the situation and to "liquidate" the results of the excessive zeal of their military commanders,

for which reason Tokyo was anxious not to be embarrassed by any precipitate action by the League.

This view was strengthened by hints from Japanese sources that it was the policy of that Government to evacuate its subjects from outlying areas in South Manchuria during the following two or three weeks, in order to localize the trouble and ease a difficult situation.

Accepting this view of the situation, the Council passed a non-committal resolution taking note of the Japanese Government's declaration that it had no territorial aims in Manchuria, and that the withdrawal of the Japanese troops about to begin would be completed as rapidly as was compatible with safety of Japanese lives and property. The resolution further noted the Chinese Government's undertaking to safeguard Japanese lives and property in the areas evacuated by Japanese troops. No suggestion was made of any neutral investigation, nor was any time-limit mentioned—two points which the Chinese delegate at Geneva had pressed for but did not insist upon. China accepted this resolution, though not without misgivings which were later to be fully justified.

The next chapter in the League's handling of the dispute began on October 13, when the Chinese Government made an urgent appeal to the Council, on the ground that instead of withdrawing, the Japanese army had extended and consolidated its occupation, and committed further acts of a definitely

warlike nature, culminating in the aërial bombardment of Chinchow, the temporary headquarters of the Chinese Government in Manchuria, causing heavy damage to property and loss of life. The city of Chinchow was situated some distance from the area occupied by the Japanese troops, and the twelve bombing 'planes responsible for the damage dropped proclamations addressed to the inhabitants of Chinchow. The text of this proclamation, later communicated to the League Council by the Chinese Government, was as follows:

"Chang Hsueh-liang, that most rapacious, wanton, stinking youth, is still failing to realize his odiousness and has established a Provisional Mukden Government at Chinchow to plot intrigues in the territories which are safely under the rule of the troops of the great Japanese Empire; when the heart of the Manchurian mass is no longer with him, his ground is lost and the four provinces of the Northeast are going to revolt against him. The Imperial Army, which, in accordance with the principles of justice, is endeavoring to safeguard its interests and to protect the masses, will never recognize the Provisional Government of Chang Hsueh-liang at Chinchow, and therefore it is obliged to take drastic measures to suppress such a Government.

"The people of Chinchow should submit to the kindness and power of the army of the great Jap-

anese Empire and should oppose and prevent the establishment of Chang Hsueh-liang's Government, otherwise they will be considered as decidedly opposing the army of the great Japanese Empire, in which case the army will ruthlessly destroy Chinchow. The people of Chinchow are hereby enjoined carefully to consider their situation and to take such decisions as they will deem wise."

At the meeting of the Council held to consider these serious developments, the Foreign Ministers of the Great Powers were present, an indication of the growing concern which the Japanese actions were causing in Europe. A representative of the United States Government was also present at the Council table, and the statesmen who thus debated the grave position were further encouraged by a Note from Mr. Stimson, American Secretary of State, in which he urged the League "in no way to relax its vigilance and in no way to fail to assert all the pressure and authority in its competence with a view to regulating the action of Japan and China in the premises."

The Japanese continued to delay any decision by every means possible, objecting to the presence of an American representative on the Council, and referring back to Tokyo for instructions. Finally, the preliminary objections of the Japanese delegate were overcome and the Council got down to business.

All the resources of League diplomacy were

brought into play to arrange a compromise, it being felt that any suggestion of coercion in a dispute so involved and entangled would only cause a split in the League itself. At one point, according to observers, the Council came near to accepting a compromise which would have obliged the Powers to urge the Chinese to agree to direct negotiations on the question of security, while Japanese troops still occupied the greater part of Manchuria. The Council were saved from such a position at that juncture in the negotiations by a sudden stiffening on the part of the Japanese, who, perhaps feeling that the hesitancy of the Council made any "surrender" unnecessary, refused to accept even the minor concessions proposed. Japan refused to help the Council to find a compromise, and insisted that issues concerning railways and existing treaties should be included in any negotiations with the Chinese Government and settled to the satisfaction of Tokyo before the Japanese army withdrew to the railway zone.

Faced with this demand, the Council, on October 24, abandoned its efforts to find an agreed compromise and tabled a resolution which revealed a certain access of courage and helped to clarify the real issues. This resolution requested the Japanese Government to withdraw all troops before the Council met again on November 16, invited the Chinese Government to afford facilities for neutral observers to be present when the areas evacuated by the Japanese were taken over, and again took especial note of Japanese declara-

tions that they had no territorial aims in Manchuria, and the Chinese counter-statement guaranteeing the lives and property of Japanese subjects. This resolution the Chinese delegate immediately accepted, promising to afford all facilities for neutral observers, and to make any other arrangements that would satisfy Japanese fears regarding the lives and property of their subjects in the areas evacuated. At the same time the Chinese delegate reiterated that it was the unlawful occupation of Chinese territory by the armed forces of a foreign Power which had created the conditions of insecurity which were being advanced by Tokyo as an excuse for continuing the occupation. Further, the Chinese delegate pointed out that his Government regarded withdrawal from the occupied regions as the first and only issue before the League, and that only when that evacuation had been effected could other issues be discussed, including fixing responsibility and assessing damages, which the Chinese Government was willing to leave to the League itself. But, added the Chinese delegate, his Government would never consent to discuss outstanding issues with any Power while the military occupation of any part of its territories by the armed forces of that Power continued. And, finally, he stated that in taking up that attitude China was taking its stand on the Covenant of the League and the Peace Pact, and considered that she was entitled to the unqualified moral support of every member of the League and signatory of the Kellogg Pact.

WAR GOES ON IN MANCHURIA WHILE THE LEAGUE DELIBERATES

Japanese troops and Chinese coolies rushing ammunition up to the front line during operations against Chang Hsueh-liang's army.

The reply of the Japanese delegate to this declaration was a flat refusal to evacuate Manchuria until China had negotiated an agreement with Japan on certain "fundamental principles." Although pressed by M. Briand, Lord Cecil, and other members of the Council, to reveal the nature of these "principles," the Japanese delegate refused to do so, leaving the Council with a distinct impression that some at least of these principles were concerned, not with the question of security for Japanese subjects and property, but with the complicated and highly contentious issues of Japanese relations with China over Manchuria—questions which Japan had attempted on more than one occasion previously to solve by armed force

Attempts to get the Japanese delegate to moderate his attitude having failed, the Council put both the Japanese counter-proposal and then its own resolution to the vote. Both votes showed world opinion, including America, to be ranged solidly against the Japanese attempt to maintain a military occupation, with all its dangers, as a means of settling civil disputes.

Shortly after the taking of this vote on October 26, 1931, the Japanese Government issued the text of the points styled in Tokyo the "Five Fundamental Principles" to which Chinese agreement was demanded before evacuation would be even discussed.

These five points were:

(1) That an agreement shall be come to whereby Japan shall not entertain any aggressive designs.
(2) That the territorial integrity of China shall be respected by Japan.
(3) That China shall cease anti-Japanese propaganda such as boycotting Japanese goods in commerce, and schoolbook propaganda inculcating national hatred against the Japanese.
(4) That Japanese lives and property shall be safeguarded and Japanese allowed to follow their lawful pursuits peaceably.
(5) That China shall be compelled to observe Treaty obligations.

These five points form the basis of Japan's case as presented at the League meetings, and as prosecuted by armed force in Manchuria. There is a considerable measure of justice in Japan's demand for the observance of treaty rights and security for her citizens, as we have shown. What China would not agree to was any compromise whereby these issues were to be discussed prior to the evacuation of Chinese cities by the Japanese armed forces, the attempt to enforce these essentially political demands by the establishment of an armed protectorate over three Chinese provinces, and the expulsion of the Chinese governmental authorities from Manchuria.

In the Chinese view, the boycott of Japanese goods, which has wrought such havoc to Japanese

trade with China recently, is itself the result of the national anger at Japan's actions in Manchuria, and that no Government could suppress it until the cause is removed. The Chinese Government offered, rather belatedly it is true, to honor faithfully its treaty obligations under international law and the existing treaties, to protect Japanese lives and property, but it refused as impossible to force its citizens to buy Japanese goods while the armies of that Power were engaged in assaulting Chinese cities and fighting the Chinese national army.

With the passing of the League Resolution in October, the Council was committed to a demand for the complete withdrawal of the Japanese troops to within the railway zone before its next meeting in November—that was, within three weeks. And the Council, by its action, had made it clear that it did not consider it necessary to consider any other aspect of the crisis until this withdrawal had been effected.

During those crucial days, however, instead of withdrawing, the Japanese occupation was extended northward as far as Tsitsihar, without any protest from the Great Powers or from the League, and when the Council met again, at four o'clock on November 16, 1931, in the Salon de l'Horloge at the Ministry of Foreign Affairs in Paris, it was recognized that the situation was critical and that nothing less than the prestige of the League itself was at stake.

Before the meeting of the Council information had been received that the Japanese were deposing the

local authorities throughout Manchuria and replacing them with "puppet" administrations of their own choosing, and, further, that Japan was preparing to set up a new Manchurian Government under its own control. There had been, moreover, no slackening of military effort and visible preparations were proceeding for a winter campaign. If "war" was not spoken of, it was only because the Chinese forces were being withdrawn without fighting, while China looked to the League for a settlement she was too weak to enforce against superior forces.

The first reports of the Paris meeting indicated that the Council recognized its impotence before the firm action taken by Japan, and was inclined to bring pressure to bear upon China to agree to negotiations regarding outstanding questions without waiting for a Japanese withdrawal, and without insisting upon the fixing of a date within which period the evacuation was to be completed.

At this meeting M. Briand stated, with reference to the "Fundamental Principles" set out above, that the first four of them were embodied in the draft resolution of October 24 (which Japan alone had refused to accept) and that disagreement was confined to the fifth "principle," Japan declaring that a Chinese undertaking to respect her treaty rights was one of the essential conditions of security, whereas China held the view that this did not come within the scope of negotiations regarding security, but would involve long and protracted inquiry

which could not reasonably take place while a Japanese army occupied Manchuria.

It speedily became clear that the real battle was to be waged over this fifth "fundamental principle," concerning the recognition by China of Tokyo's particular interpretation of its treaty rights in Manchuria. And concerning those "rights" there existed differences even in matters of fact. For instance, the Chinese denied that the treaty of 1915 had ever been ratified by any Chinese Government. Yet they were being asked to admit the sanctity of that treaty, and to be bound by its provisions, as an alternative to losing three of their provinces. And Japan now considered her position to be strong enough to openly defy the League on this point.

Concerning this demand Dr. Sze, the Chinese delegate to the League, communicated to the Secretary-General on November 19 a letter in which he stated that "it is impossible for any Government in China in any circumstances to accept a settlement that involves direct negotiation on the five points under the pressure of military occupation for two reasons. In the first place because the fifth point has nothing to do with security, and all the points together would swiftly grow into a political and economic program for establishing a Japanese protectorate in Manchuria if negotiations on them were in any way linked up with evacuation. In the second place because the Chinese will not, and cannot, accept the position that they should re-sign the Twenty-One

Demands as a condition for Japan fulfilling her treaty obligations under the Covenant and the Paris Pact."

The letter continued: "This is a life-and-death struggle for the Chinese Government, which has staked its political existence on the policy of relying on the League. It is therefore bound to push this policy to its conclusion and test the competence of the League to the utmost. If the League fails the Chinese Government will be forced to put the blame publicly where it belongs—namely, on the unwillingness of the Great Powers to lift a finger in defense of the Covenant, which they are solemnly pledged to defend. The matter is therefore also a life-and-death issue for the League and for the Disarmament Conference. The temper of the Chinese people is rapidly hardening and their patience is becoming exhausted. The situation in my view is extremely grave."

On the same day the Japanese delegate handed a Note to M. Briand which reiterated that Japan would not evacuate the occupied area until a new treaty, confirming all present treaties, had been negotiated direct with the Chinese Government. The Note further added that even should the security of Japanese lives and property in Manchuria appear to be assured, Japan intended to maintain the military occupation, believing that the Nanking Government, representing the Kuomintang, an anti-Japanese organization, was powerless to insure order in Manchuria. Further, the Japanese Government declared

that it could not accept any compromise involving negotiations which would coincide with evacuation.

Thus the Council found itself faced with a complete deadlock—China refusing to discuss treaties until evacuation of the territories illegally occupied had been carried out, and Japan refusing to withdraw her armed forces—and, indeed, still extending the occupation—until all political issues outstanding between the two Governments had been settled to the satisfaction of Tokyo.

It is easy to declare that the League Powers, faced with this situation, should have adopted some form of direct pressure upon Japan—such as the severance of diplomatic relations. But the issues were extremely involved, and especially must it be remembered that there was some justice in the Japanese claim that the League was dealing with a territory in which great industries were at stake, and over which the Chinese Government had proved itself unable to maintain effective control. The Japanese further pointed out that there were "acts of war without arms" and that the Chinese boycott of Japanese goods amounted to a definite act of aggression against a nominally friendly Power. The information reaching the League also suggested that some form of policing Manchuria was urgently necessary if widespread extension of brigandage was to be avoided, and it was difficult to see what Power, other than the Japanese, could supply the necessary force to maintain law and order.

This point of view might have impressed the Coun-

cil more strongly had Japan adopted a less intransigent attitude to the League and followed a policy of closer coöperation with the Council. As it was, the Japanese mood was one of obstinancy and delay, while her armed forces completed the conquest of the country.

The Japanese representatives did, however, propose a compromise, and out of this proposal eventually materialized the one achievement which the League contributed to the crisis. This was a suggestion that the League should send a commission to Manchuria to study the local conditions on the spot. The Japanese proposal was, however, so hedged round with stipulations and qualifications intended to restrict the power of the commission that the suggestion appeared to be of little value.

In its original form the Japanese proposal was that the purpose of the commission should be not to express any opinion regarding the method of evacuation of the Japanese forces, or the measures necessary to protect Japanese lives and property, but only to inquire into the "fundamental causes" of the dispute —i.e., into conditions in Manchuria before the Japanese advance, and also in China generally. On the other hand, the Japanese no longer insisted upon direct negotiations with China simultaneously with the dispatch of the commission, nor upon immediate acceptance by China of the "Five Points." But Tokyo insisted upon the continuance of the military occupation, and, further, refused any guarantee that that occupation would not be further extended. The

Japanese implied that whatever the commission might think, the Japanese troops would remain in Manchuria until China had negotiated, to the satisfaction of Tokyo, upon all the five points at issue. In some quarters this suggested compromise was declared to be an offer by Japan, which having occupied Manchuria had nothing to lose, to save the face of the League before the world.

The Great Powers, on the other hand, preferred that any commission of inquiry should follow the precedent of the Greco-Bulgarian dispute in 1925, when a League Commission, headed by Sir Horace Rumbold, visited the scene of the conflict and drew up a report on the rights and wrongs of the dispute and the methods to be adopted to avoid any recurrence.

Both China and Japan accepted "in principle" the suggestion that a League Commission should investigate the situation on the spot, the Chinese representative qualifying his acceptance of "a step which might well have been taken two months ago had not Japan refused to entertain the suggestion" by declaring, in a memorandum circulated to the League Council, that "inquiry without at the same time providing for immediate cessation of hostilities and for the withdrawal of Japanese forces . . . becomes a mere device to condone and perpetuate, for a more or less indefinite period, the unjustifiable occupation of Chinese territory by an aggressor who has already virtually

accomplished his unlawful objective while these discussions have been going on."

Having regard to this acceptance, at least "in principle," the twelve members of the League Council (other than the Chinese and Japanese delegates) settled down to the task of drafting the terms of the proposed inquiry. That it was not likely to prove an easy task was shown by the fact that the Japanese representative on the Council, Mr. Yoshizawa, was being sharply attacked in Tokyo for accepting the suggestion as worthy of investigation, and hastened to inform the Council that Japan assumed that the inquiry would have no power to supervise the movements of military forces. The importance of this reservation was emphasized by news from the Far East reporting that fresh Japanese reënforcements were being sent to Manchuria, and that, in the face of the League's appeal for an "armistice," there were distinct fears of an extension of the fighting in the direction of Chinchow, the seat of the Chinese Government of Manchuria, and the last corner of the Three Provinces unoccupied by the Japanese armies.

The text of the resolution drafted by the Council was certainly not unfavorable to Japan. It requested both sides to refrain from any action which would aggravate the situation, and to suspend hostilities. It asked both China and Japan and also all members of the Council to give to the Council all information available regarding the precise position. It provided for the appointment of a Commission of three—one

American, one Englishman, and one Frenchman—who were to be assisted by Chinese and Japanese assessors. And it declared that the sending of this Commission to Manchuria, and the preparation of a report which would necessarily involve some time, could not be allowed to delay the evacuation of the occupied territory.

Assuming that the Japanese Government had any faith in the League of Nations, of which it is a member, or attached any real importance to the obligations undertaken when it signed the Covenant of the League or the Kellogg Pact renouncing war as a means of settling political disputes, there was nothing in this draft resolution to which it need have objected. On the contrary, a considerable body of opinion held the view that the draft resolution amounted to an almost complete acceptance of the Japanese conditions, and the Chinese Government, as we have shown, protested energetically against the Commission as a device to delay evacuation.

The Japanese had, indeed, revived the proposal for a League Commission at a favorable moment for themselves. Their military operations in Manchuria had been completely successful. The whole country apart from the area around Chinchow had been occupied at an insignificant cost, and without any protest from the Powers which Tokyo need regard as serious. Complications with Soviet Russia in Northern Manchuria, whether in reality courted or feared by Tokyo, had not materialized. On the other hand,

the anti-Japanese economic boycott in China had been unexpectedly successful, and Nanking had made it clear that this boycott, which was strangling Japanese trade during a year when trade difficulties loomed large on the horizon, would not be withdrawn until the Japanese forces had returned to the railway zone. Direct negotiations forced upon China would not have ended the boycott, and it seemed probable, therefore, that the Japanese might consider it worth while to come to some arrangement for a withdrawal of their troops under League supervision, in order to minimize the risks of sporadic civil warfare resulting in the evacuated territory when the "puppet" Governments placed in office by the Japanese military commanders disappeared, as they obviously would do when their Japanese protectors withdrew.

Those who took this view proved to be too optimistic. Persistent efforts by the League Council, continued during the closing days of November and the early days of December, to draft a resolution acceptable to both China and Japan, only resulted in deadlock after deadlock. At the beginning of December, the position was that the Chinese still insisted upon the suspension of hostilities without reservations—an attempt to save the Chinchow area from Japanese hands—while the Japanese declared that they must have a "free hand" to deal with "bandits" after the suspension of hostilities—"bandits" being an elastic phrase which, as events proved, was employed to cover operations against regular Chinese forces thirty thou-

sand strong. Further, the Japanese declared that they could not consent to the intervention of third parties (i.e., the League Commission) in a dispute capable of direct settlement between China and Japan and that they alone were competent to decide whether the lives and property of Japanese subjects were sufficiently secure to permit withdrawal. The hitches, therefore, at this point in the prolonged negotiations, were concerned with three points—the suspension of hostilities, the conditions of evacuation, and the arrangements for a neutral zone around Chinchow.

This last proposal to form a neutral zone between the rival forces was embodied in a suggestion that those Governments which sent observers to the Chinchow area should give them instructions that they should, in concert with one another, examine the possibility of establishing as between the Chinese and Japanese troops a neutral zone or any other system calculated to prevent any collision between the troops of the two parties.

This proposal was fiercely contested by the Japanese representative, who declared, on behalf of his Government, that Japan would not tolerate the intervention in the military sphere of "third parties," but offered an undertaking that the Japanese forces would not enter the zone around Chinchow unless exceptional circumstances necessitated an advance in that direction. Not content with this protest, the Japanese Government demanded further that the Chinese Government of Chang Hsueh-liang, the Governor of

Manchuria whose territories they had occupied, should be withdrawn from Chinchow and any neutral zone placed under the control of the puppet administration set up by the Japanese themselves at Mukden. In a word, the Japanese Government demanded the complete evacuation of Manchuria by the Chinese authorities, and made their acceptance of the proposal for a League Commission conditional upon that evacuation being effected.

The deadlock continued throughout the first week of December, the only point on which it seemed possible to secure agreement being that a League Commission should be sent to Manchuria. Upon such questions as the cessation of hostilities, the fixing of a neutral zone, and the withdrawal of the Japanese troops, Tokyo was adamant. Meanwhile, public opinion in China, where bitter disappointment was felt at the failure of the League to either force a cessation of hostilities or arrange for an evacuation, was stiffening, and making any further concessions by the Chinese delegates improbable. Further, while the members of the Council, or most of them, held the view that Japan had placed herself technically in the wrong by occupying the territory of another Power, it was felt that there were mitigating circumstances in the spread of chaos in China, in the inability of the Chinese Government to prevent lawlessness in Manchuria, and in the continuance of the anti-Japanese economic boycott. If the issues seemed simple on the surface, they were in reality too involved to permit

the League to bring direct pressure to bear upon Tokyo, always remembering that once such a policy had been adopted questions of prestige would necessitate the League pursuing a policy of "reprisals" to the end.

Fresh progress was made at a meeting of the League Council on December 7, but it was a move backwards. The scheme for a neutral zone was dropped entirely, following a Japanese demand that the neutral zone should begin immediately to the west of Chinchow and extend as far as the Great Wall—a line which would have left Chinchow outside the zone and enabled the Japanese forces to occupy the last Manchurian city held by the Chinese. The Council refused to consider this suggestion seriously, and did not consider it worth while to communicate it to the Chinese representatives, more especially as it confirmed the reports from Manchuria that the Japanese army was, despite formal undertakings given to the American, British, and French Governments, preparing to occupy Chinchow as soon as the session of the League Council was ended.

The Japanese Government also finally refused to accept Clause V of the draft resolution, referring to the power of the Commission of Inquiry to report on the situation upon their arrival in Manchuria.

Despairing of securing agreement on these points, the League Council, at a special session held in Paris on December 10, unanimously adopted a resolution which, while by no means considered satisfactory by

supporters of the League of Nations, embodied the utmost concessions to the League point of view which Tokyo was prepared to yield. This resolution read:

The Council

(1) Reaffirms the resolution passed unanimously by it on September 30, 1931, by which the two parties declare that they are solemnly bound. It therefore calls upon the Chinese and Japanese Governments to take all steps necessary to assure its execution so that the withdrawal of the Japanese troops within the railway zone may be effected as speedily as possible;

(2) Considering that events have assumed an even more serious aspect since the Council meeting of October 24, notes that the two parties undertake to adopt all measures necessary to avoid any further aggravation of the situation and to refrain from any initiative which may lead to further fighting and loss of life;

(3) Invites the two parties to continue to keep the Council informed as to the development of the situation;

(4) Invites the other members of the Council to furnish the Council with any information received from their representatives on the spot;

(5) Without prejudice to the carrying out of the above-mentioned measures, desiring, in view of the special circumstances of the case, to contribute towards a final and fundamental solution by the two Governments of the questions at issue between them, decides to appoint a Commission of five members to study on the spot and to report to the Council on any circumstance which, affecting international relations, threatens to disturb the peace between China and Japan, or the good

understanding between them, upon which peace depends.

The Governments of China and of Japan will each have the right to nominate one assessor to assist the Commission. The two Governments will afford the Commission all facilities to obtain on the spot whatever information it may require. It is understood that should the two parties initiate any negotiations these would not fall within the scope of the terms of reference on the Commission, nor would it be within the competence of the Commission to interfere with the military arrangements of either party. The appointment and deliberations of the Commission shall not prejudice in any way the undertaking given by the Japanese Government in the resolution of September 30 as regards the withdrawal of the Japanese troops within the railway zone.

(6) Between now and its ordinary session, which will be held on January 25, 1932, the Council will continue to have the matter in hand, and invites its President to follow the question and to summon it afresh if necessary.

Following the adoption of this resolution, mild enough in the circumstances, both the Chinese and Japanese representatives made further reservations, while certain members of the Council, including Lord Cecil on behalf of Britain, made it clear that they had voted for the resolution only because it represented the sole hope of a satisfactory solution of a most involved and difficult situation.

Continuing to stress their differences to the end, the Japanese representative made a reservation upon one vital point—the Japanese right to take military action

against "bandits" when the lives or property of Japanese subjects were in jeopardy, while Dr. Sze, the Chinese representative, in a long declaration, declared the only way to insure peace was by the withdrawal of the Japanese troops. He added that the Chinese Government could not permit these troops to exercise police functions, and that China would consider the promotion by the Japanese of any so-called independent movement in Manchuria an aggravation of the situation contrary to the League resolution.

Speaking after the adoption of the resolution, M. Briand, President of the League Council, declared that "war had threatened and had been averted."

"If the Council has not fixed a period for the complete withdrawal of the Japanese forces it nevertheless holds firmly to the view that their withdrawal to the railway zone should be carried out as quickly as possible," said M. Briand, adding that "it is essential that fresh incidents should be prevented. The Council has the right to assume that the cessation of hosilities will continue and that even without the definition of a neutral zone the formal engagements of both parties will be enough to prevent any further clash."

M. Briand continued: "At this solemn moment, with a contract of good faith and honor by us," turning with emotion towards the representatives of China and Japan, "I should feel that I was not doing full justice to two great nations, members of the League of Nations, if I did not strongly affirm here,

both personally and on behalf of my colleagues, our confidence in the fulfillment of our desire."

If M. Briand, Lord Cecil, and other members of the League Council really believed that the adoption of the resolution would mark a cessation of military action by the Japanese in Manchuria, their hopes were speedily shattered. Hardly had the Council concluded its session before the Japanese forces were advancing upon Chinchow, the last Manchurian city of any importance left in Chinese hands, and by the end of December 1931, the Japanese troops had reached and captured the important railway junction of Kaopangtze and the city of Tahushan, the occupation of these two points being preceded by aërial bombardments and conflicts between Chinese forces and Japanese armored cars. This advance towards Chinchow had, indeed, clearly been foreshadowed by Japanese reservations during the protracted negotiations in Paris concerning a neutral zone, it being impossible to believe that any member of the League Council could have had any illusions regarding Japanese intentions.

While this advance was in progress, the Japanese Government forwarded to the Council of the League of Nations a declaration which described the situation in the Chinchow area as one of anarchy and declared it would have been a breach of duty for Japan to have left the population a prey to anarchy, deprived of all the apparatus of civilized life.

"Therefore the Japanese forces have, at considerable sacrifice, expended much time and energy in securing

the safety of persons and property in districts where native authority had become ineffective," stated this Note. "This is a responsibility which was thrust upon them by events, and one which they had as little desire to assume as to evade."

The Note continued: "Certainly the Japanese forces, in deference to the resolution of the Council of the League of September 30 and December 10, are not in the field against regular Chinese forces; but in the present abnormal conditions in Manchuria they are compelled to continue their operation against the lawless elements. So long as the Chinchow military authorities, while simulating an unaggressive attitude, continue to instigate and manipulate movements of bandit organizations against the Japanese army, as well as Japanese and other peaceful inhabitants, and so long as officers and men of the Chinchow army mingle in large numbers with these bandit groups and so render it impossible to distinguish the latter from regular troops, so long must the responsibility for the consequences of any action which may be entailed upon the Japanese army in self-defense rest entirely with the Chinese." [1]

Simultaneously with this declaration, which reveals so clearly the convenient Japanese habit of declaring any opposition to be composed solely of "bandits," Mr. Inukai, the Japanese Prime Minister, gave an interview to foreign journalists in which he declared that Japan would not accept Manchuria—even as a

[1] *The Times*, December 30, 1931.

MEN WHO PROVIDED THE LEAGUE WITH A DIFFICULT PROBLEM
Japanese reenforcements entraining for the Manchurian "front"

gift—owing to the enormous expenditure that would be entailed in defending its extensive frontiers.

Upon the intention of the Japanese forces to occupy Chinchow becoming clear, the Governments of Great Britain, the United States, and France expressed to Japan their "serious concern" at the prospect. Japan, in reply, emphasized her determination not to tolerate the existence of the Chinchow Government nor to recognize the difference between Chinese soldiers and bandits, thus making it clear that Japanese military activity would continue until both had been swept beyond the Great Wall. Even if the advance stopped there, for, as the Chinese Government pointed out, if the Japanese captured Chinchow, there was no reason why they should cease their advance short of Peking.

Faced with this new threat, Marshal Chang Hsueh-liang notified the Japanese authorities that he had ordered the Chinchow garrison to withdraw south of the Great Wall, thus completely evacuating Manchuria. This step was decided upon in order to remove any pretext under which the Japanese forces could have carried the invasion into China. Later, this order was countermanded, and it was announced from Nanking that the Chinese army would receive reënforcements, and had been ordered to hold Chinchow at all costs, while the Chinese Government, in a letter dated December 26, 1931, reported upon these events to the Council of the League of Nations and made an urgent appeal for the "immediate adop-

tion of effective measures to deal with the situation."

It was, however, too late. The League Council showed no inclination to meet again before January 25, 1932, the date previously fixed for its next meeting. This is scarcely surprising, for that body had had ample warning of Japan's designs upon Chinchow before it adjourned in December. Some observers, indeed, had wondered whether the Japanese would hold their hand until the Council had safely dispersed, and its members were immersed in other matters.

The warnings proved well-founded. Japan was not to be denied. It was the Chinese who eventually changed their minds once more and withdrew from Chinchow, which by January 2 was in the hands of the troops of the "great Japanese Empire." And with the fall of this city, Chang Hsueh-liang, Chinese ruler of Manchuria, was thrust back over the Great Wall into China proper.

The League's attitude to these developments, carried out in open defiance of its own resolutions, was to accept the *fait accompli,* for the moment at all events, and to await the report of the Commission of Enquiry, which could not be available for some months at the earliest, meanwhile leaving Japan in possession.

That, without injustice, may be held to be the view advanced by M. Briand in a letter to the League Council dated January 14, in which he stated that "in view of the solemn undertakings embodied in the two resolutions of the Council, which form a definite

guarantee against the pursuit of any territorial aims in Manchuria, we may regard the exceptional situation as a strictly temporary one which must in normal circumstances end as rapidly as possible in conformity with the conditions laid down in the resolution of the Council of September 30."

The United States Government, alone among the Great Powers, felt impelled to protest against Japan's cynical flouting of her own pledges and world opinion, and, as we shall show, in a strong note to Tokyo, drew attention to the provisions of the Nine-Power Treaty, of which Japan was a signatory.

How, in the light of these facts, should the results of the intervention in the dispute of the League of Nations be regarded? Did the Council of the League fail, and seek to hide its failure in the setting up of a Commission without real powers to curb either Japanese militarism or Chinese anarchy, while leaving Japan free to complete the virtual conquest of Manchuria, or can that body justly claim, in Lord Cecil's words, that "we have prevented war, have made some attempt to secure justice and have laid the foundation for what we believe to be a better state of things"?

It is a simple matter to decry the results secured by the Council after so much effort, to point out that the Japanese, while paying lip-service to Geneva, in reality snapped their fingers at the Great Powers and continued their aggression undisturbed by the deliberations of the distinguished statesmen at Geneva and Paris. It is even possible to argue, by drawing

an analogy with 1895, when the European Powers forced Japan after her victory over China to disgorge some of the spoils of victory, that the League has let China down, and she would have been better off had no League existed, and Nanking been forced to rely upon international rivalries and jealousies for assistance in warding off a Japanese challenge which she is clearly too weak to oppose without aid.

But to argue thus is to deny the facts of history. As Lord Grey has reminded us: what happened in 1895 was that "when Japan, as victor, had settled the terms of peace, certain European Powers came upon the scene and cynically deprived Japan of some of the things she had gained by war. Then one Power after another extorted something from China." And he added that in the present dispute any proceedings of that kind had been averted by the League of Nations, which had exercised a restraining influence in Manchuria, and had kept together the parties not interested in the dispute, so that not one of them was thinking of fighting for its own purpose.

Lord Grey, in this speech,[1] went on to outline four favorable results that the League had brought about.

"First, the influence of the League had prevented the dispute from spreading. Secondly, other Powers, instead of possibly playing each for its own hand, had been working together with the League to promote peace. Thirdly, before the Great War, when a dispute arose between Powers, it was often regarded

[1] Reported in *The Times*, December 12, 1931

as infringing the honor of one of the parties to the dispute for any outside Power to interfere or mediate. The League of Nations, however, had changed all that, and to-day it was an infringement of the honor of a Power if it did not accept mediation. All through the Manchurian dispute neither Japan nor China had said 'Hands off'; both had admitted the right of the Council of the League to investigate and mediate, and by each putting its own case before the world it had tried to get the good opinion of the world. That was an entire reversal of the position before the war. Fourthly, the Manchurian dispute had brought out the fact that the Kellogg-Briand Pact was entirely in line with the Covenant of the League of Nations. The United States had taken an active, and so far as he could judge, a beneficial and helpful hand in this dispute, not on behalf of the Covenant of the League, but on behalf of its interest in the Kellogg Pact, which was due to American initiative. The United States Government, therefore, had been taking parallel action with the Council of the League. That was worth knowing, for it showed the value of the Pact of Peace."

Summing up, Lord Grey declared that judged by the standard of comparison with the past, the League of Nations and the work it had already done could perhaps be described as the greatest landmark of progress in the history of the world.

The satisfaction expressed by Lord Grey was, however, by no means universal. Others, including many

supporters of the League, were bitterly disappointed at what they termed the "capitulation" of the League before Japanese aggression, and the failure of the League Council to protect Chinese territory from invasion after that nation had placed the defense of its territories in the hands of the League. The critics did not rest content with the blunt statement that, in a clear case of the use of military force for political ends, the League had failed. They declared that if the Council had never considered the Manchurian problem, or had issued a blunt announcement that the attitude of the Japanese Government made any action on its part impossible, the position resulting after the passing of the resolution of December 10 would have been "less helpless and depressing than in fact it is." [1]

It was further declared that if, as M. Briand had suggested, a war between China and Japan had been averted, it was only because the Council conceded everything to Japan that would have made a war worth while for that nation.

Behind all the criticism showered upon the statesmen who had labored so long and, let it be admitted, on the whole so fruitlessly in Paris, was a widespread feeling that the League should have sought to mobilize the moral force of world opinion against the aggressor,—in this case, against Japan. But was the world ready to support such a moral appeal? If not, if international dissensions would have prevented any real pressure being brought upon Tokyo, or if there

[1] *Manchester Guardian*, December 8, 1931.

was any belief existing in the justice of Japan's claim that the alternative to the occupation of Manchuria was a relapse into the anarchy and banditry which has been the curse of China during recent years, then such an appeal could only have ended in failure. Nor should it be forgotten that the Chinese Government itself deprecated any attempt to coerce Japan, believing that such action would only intensify the crisis.

No one in close touch with the facts can doubt that a "League war" upon Japan, or any attempt to enforce sanctions which few members of the League were ready to apply, might well have ended the prestige and usefulness of the League of Nations for many years, if not permanently.

For, as Mr. W. S. Rowntree has pointed out, it would be just as mistaken a diagnosis to pronounce the League a failure "because it has not, like Minerva, sprung 'fully armed from the head of Jove' as it would have been to stigmatize the first King's Courts as useless because they took a much longer time to establish the full 'reign of law' throughout our own small island." [1]

To declare that the League "failed" because it did not adopt "big stick" methods in a situation of great complexity is to pass a judgment which a close examination of the facts does not support. As Lord Grey has stated, the League is not superhuman, and it is true that in the present conditions in Manchuria, and the present temper of the Japanese Government, com-

[1] *Manchester Guardian*, December 28, 1931.

plete success was not attainable. Yet we believe that the League accomplished enough to justify Lord Grey's fervent remark, "Thank Heaven there has been a League of Nations since the war."

Accurately to assess the real achievement of the Council of the League, it would be necessary to have knowledge of the real intentions of Japan when her troops began their advance after the alleged attack upon the South Manchurian Railway on September 18, 1931. There is considerable evidence that the occupation was planned well in advance. The extreme rapidity with which the Japanese army acted suggests a prepared plan. (Seven hours after the attack upon the railway Mukden and four other cities were in Japanese hands.) Previous to September 18 also, the Japanese garrison in Korea had been reenforced, while a speech is on record, made by the Japanese General Honjo on September 13, which foretold the events which immediately followed.

The really important question, therefore, is whether the Japanese had decided upon a permanent or a temporary occupation of Manchuria? Their action in setting up "puppet" governments which are certain to be dismissed as soon as any evacuation is carried out, is strong presumptive evidence that a permanent occupation, in some form, was the Japanese intention. And if this is so, then it may be held that the League has performed a valuable service, for Japan remains pledged by the resolution of September 30 to withdraw her troops "as soon as the security of Japanese

subjects and property is assured." It may be argued that the promise will not be kept, but owing to the existence of the League it can only be broken at the cost of lasting damage to Japanese honor and credit in the eyes of the whole world.

On the other hand, it may be that the occupation was only planned to last until Japan had been able to secure a settlement of the outstanding issues detailed in Chapter V, and until the menace of banditry had been overcome. If this was so, the efforts made by the League have not been conspicuously successful, for Japan, despite the League, is to-day in control of the whole of Manchuria and the League's Commission of Inquiry has no right to intervene in the direct negotiations which the Japanese demand and which the Chinese Government wishes so much to avoid. It seems probable that in the absence of any more forceful protest by the United States or other Powers, China may be compelled to accept the conditions laid down by Japan, however far they may go, and even if those conditions involve surrendering effective control over the Three Provinces, and in such circumstances the best that can be said for the League is that a certain amount of bloodshed was avoided by China choosing to rely upon the Council rather than upon her armed forces, and that Nanking would have been compelled to submit more speedily, and probably to still harsher terms, had the League not existed.

The point stressed by Lord Grey is also of impor-

tance. Had the League not existed, the Great Powers would have been faced with a situation just as dangerous and anxious, and the temptation to seek some special advantage from Japan as the price of agreeing to her action in Manchuria, or to seek "compensations" from China as the price of supporting her protest, might well have been too strong to be resisted. And with nations ranging up on either side in return for such concessions, the conflict might well have extended and expanded into a serious war, as has happened so often in the past. The existence of the League machinery enabled all nations with interests in the Far East to coöperate to a degree that would scarcely have been possible without the League. In a word, therefore, although it may be admitted that Japan has succeeded in securing her aims despite the League, that body has in turn succeeded completely in localizing the dispute, in issuing reliable information concerning events to steady world opinion, and in making the Japanese Government sufficiently uncomfortable during the last three months of 1931, to deter other nations from lightly following her example.

The Commission of Inquiry goes to Manchuria with vague terms of reference, deliberately drafted to avoid offending Japanese susceptibilities, but this very fact may add to the value of the Commission's report when it is available. The presence of an influential Commission of the League on the spot must act as a check to irresponsible action or the dissemi-

nation of baseless rumors designed to justify military action already decided upon.

While it is true that the Commission has no power to interfere with the military arrangements of either side, it is charged with the duty of reporting "on any circumstance which threatens to disturb the peace between China and Japan." In that fact is a guarantee that the pressure upon Japan to evacuate Manchuria will continue unabated, a fact of great importance when it is remembered that as long as Japanese troops occupy cities like Tsitsihar, the risk of a clash with Soviet Russia cannot be said to have passed.

One further result of League intervention is important. If the Japanese intention was to obtain definite control over Manchuria, it was vital to the plan that military action should have been followed immediately by a political agreement giving the Japanese all they demanded—even if the enforcement of those demands necessitated extending the occupation to Peking. Obviously, one of the most important features of any agreement so gained would have been an undertaking on the part of the Chinese Government to end the anti-Japanese economic boycott, a demand which China would have had no choice but to accept. Thanks to the League's existence, however, not only is the fate of Manchuria still unsettled, but the Japanese Government is still pledged to evacuation "as soon as may be." Failing a Japanese withdrawal, the boycott will continue, while any attempt by Japan to obtain an unjustifiably wide measure of

control over Manchuria will be hampered, or at least exposed, by the League Commission, with its wide terms of reference.

Perhaps the most solid achievement of the League Council is to be found in these two facts—the weapon of the boycott, which the Japanese army is powerless to stop, coupled with the restriction on the use of force which is implied by the presence of the Commission, afford China chance of meeting Japan almost on level terms. Any final settlement between two countries of equal power is obviously more likely to be just than a settlement dictated by a strong and well-organized nation to another weak state rent by internal dissension.

If, therefore, the League has not succeeded in imposing its own conditions upon Japan, and has hesitated in so involved a dispute to denounce Japan before all the world as a criminal among the nations, it yet has a more solid achievement to its credit than many of its critics admit. Whatever the terms of the final settlement, they will scarcely be as harsh or sweeping as those which would have been forced upon a defenseless China unable to appeal to the conscience of the world. It is, indeed, highly probable, that, thanks to the League and taking all the factors into account, including the numerous breaches of treaty rights by China in Manchuria before the crisis arose, that China will secure a settlement at least as generous as her own record entitles her to expect, and one that may be more in the interests of Manchuria

as the Promised Land of Asia than an unqualified return of that land to a Chinese Government which is notoriously unable to maintain within its territories the conditions of law and order without which no region, however rich in opportunities, can prosper.

. . . . . .

CHAPTER X

THE FUTURE OF MANCHURIA

HISTORY, which decreed that Manchuria should remain an almost empty domain, rich in natural resources, in juxtaposition to an overcrowded and ambitious Japan, has condemned the land of the Manchus to be the cockpit of Asia. Dominated first by the Russians, during the era of Czarist expansion in the Far East, the Three Provinces to-day represent a field of colonial and economic expansion for the Japanese to which Tokyo, entering the field for "zones of influence" late in the day, considers she possesses a better title than any one else to develop. As we have shown, economically Manchuria is vital to Japan. The day may come when the mineral wealth of the region, the food drawn across the Sea of Japan, and the footing on the mainland of Asia will mean the difference between her survival and extinction as a Great Power.

Tokyo knows this, and plans its actions accordingly. It cannot afford to permit international jealousies, or the moral conscience of nations which already possess abundant territories elsewhere, to rob it of the fruits of a costly war and a quarter of a century of treasure and labor. The economic needs of Japan tend to blind her statesmen to other considerations

arising out of a "forward" policy in Manchuria—or it may well be that Japan has counted the risk and is prepared to face it. If the accident of history left Manchuria an almost undeveloped region up to the days of the meteoric rise of Japan to the status of a world Power, the equally inexorable accident of geography determined that the region should become an integral part of China, and that the Chinese should be weak at the very moment when the industrialization of the Far East caused Manchuria to appear in its most alluring guise. No great trading nation can afford to be indifferent to the fate of this tempting bone, least of all China, who owns it; Russia, which still possesses substantial interests there; and Japan, the nation which can point with justifiable pride to the vast increase in trade and importance which has followed Japanese penetration in the region.

For Great Britain and the United States, the issues are simpler. The "Open Door" and "Equal Opportunity for All" are the twin pillars supporting the policy of both Washington and London, and with a determination to maintain that policy goes a lively appreciation of the dangers inherent in any breach of those treaties expressly designed to curb the forward thrust of Japan in an area where "all may coöperate but none dominate."

Statesmen may assess the economic blessings which Japan has brought to Manchuria at their true worth, and even agree with the opinion of European business men in China—exasperated by the chaos and misrule

existing in that country—who declare: "It is a thousand pities that Japan did not annex Manchuria in 1905 and thus have settled the matter once and for all." But self-interest and maintenance of the "balance of power" in the Far East prevent any responsible Foreign Minister from admitting that his Government would accept the *fait accompli* which the Japanese army has presented to the world. Hence the degree of official sympathy and support extended to China. To the official mind the issue may thus be simplified: Shall Manchuria remain in the possession of a weak and divided China, to be developed by the trading nations of the world, or shall it come under the direct control of a dominant Japan, which once installed, it might prove impossible to dislodge?

In fairness to the Japanese, it must be admitted that were political considerations eliminated, their claim to prior rights—even monopoly rights—in Manchuria is a strong one. That industrial conditions in Manchuria are much in advance of China proper is entirely due to Japanese initiative and foresight. They may safely be trusted to maintain law and order within a region which, in the interests of the world, should not be allowed to relapse into barbarism. An appeal by the Japanese Government to the League of Nations, in the first instance, for permission to police Manchuria in the interests of orderly trade and security, might very well have been granted. The strategic position of the Three Provinces, however, and the policy pursued by London and Washington in China

during the past twenty years, alike make it impossible to disentangle strategic and economic considerations. Manchuria developed under the jurisdiction of Japan, with its people contented and prosperous, would be a greater cause for anxiety to the Powers than a Manchuria in which all might scramble for such concessions as China was disposed to concede. Next to the Monroe Doctrine, there is no point of policy in international diplomacy so sacred as that of the "Open Door" in the Far East.

Both China and Japan realize this fact. Hence the repeated pronouncements issuing from Tokyo that Japan has no intention of annexing Manchuria and reaffirming the sanctity of the "Open Door." But it is significant that the Japanese Prime Minister, in reply to a protest tendered to him by Mr. Forbes, American Ambassador at Tokyo, on December 24, 1931, declared that Japan would "welcome foreign participation and coöperation in Manchurian enterprises as soon as normal conditions were restored."

China sees in that same policy of free international competition her hopes of countering Japanese ambitions. In an official statement issued on December 21, 1931, by Dr. Wellington Koo, the Chinese Foreign Minister, and aimed particularly at American public opinion, he declared that Manchuria forms an indispensable link between East and West, and that any change in control would upset the balance of power and stimulate Japanese military ambitions to dreams of world empire, thus jeopardizing world peace.

"That this was fully realized in the past," declared Dr. Koo, "is fully borne out by the 'Open Door' declaration of John Hay, the American Secretary of State, in 1899, by President Roosevelt's pressure towards the conclusion of the Portsmouth Treaty in 1905, by President Woodrow Wilson's protest to Japan in March 1915, and by the Nine-Power Treaty. The very danger that these distinguished American statesmen sought to forestall is now looming large through the forcible occupation of Manchuria by Japan."

In support of that demand for the maintenance of the territorial integrity of China, the Chinese point out that in contrast to an overwhelming Chinese population of thirty millions, the Japanese population of Manchuria, including Koreans, numbers only 650,000, 96 per cent of whom are living within the leased territory and the railway zone. Other Europeans in the Three Provinces comprise 80,000 Russians and 5000 of other nationalities.

It is further claimed that Chinese colonization of Manchuria antedates the Christian era. By 1900, 80 per cent of the population of Manchuria, then estimated at 14,000,000, were Chinese, while as late as 1905 there were only 5000 Japanese living in the area. Manchurian prosperity and its large share in the total foreign trade of China has been brought about, say the Chinese, by the perseverance and industry of millions of Chinese agriculturists, who have covered every part of the country.

International disputes regarding largely undeveloped territories cannot always, however, be settled by population figures. If there are admittedly less than one million Japanese subjects in Manchuria to-day, that one million has miraculously changed the importance of Manchuria as a trading nation within the last twenty-five years. If China appeals to sentiment, Japan counters with an appeal to material facts.

"In 1907, the first normal year after the Russo-Japanese War, foreign trade in Manchuria totaled 52,727,475 Haikwan taels and the imports exceeded the exports by 8,642,829 taels," states Baron Takuma Dan, president of the Japan Economic Federation. "Within three years the position had changed, the balance of trade having become favorable to Manchuria. A steady increase was thereafter maintained, trade in 1929 reaching 755,255,360 taels; that is, nearly fifteeen times greater than in 1907. Since 1919 the balance of trade has never been unfavorable."

Accepting Chinese statements regarding population figures, Baron Dan continues: "Thus it is the Chinese who have benefited most by Japan's constructive labors in Manchuria. Japan's investments, aggregating 2,000,000,000 yen, have created commercial and industrial machinery which has enabled the population, predominantly Chinese, to make good use of the land and available energy. In contrast, there has been no corresponding development, or even anything approaching it, in China in the last twenty years.

"For a time Japan was able to minimize handicaps of the Chinese civil war in Manchuria because of one fortunate privilege—that of maintaining armed guards along the railway zone. These guards were necessary when the treaty which sanctioned them was signed in 1905, and to-day that need is as present as ever.

"As the wealth of Manchuria increased, the Chinese war lords extorted more and more of it from the people, lavishing it upon themselves and on armies numerically larger than the region required or could properly afford.

"Because of Japan's economic activities in Manchuria having become vital to the welfare of the country, as well as to Japan, it was out of the question that Japan should relinquish her rights there and withdraw. The only alternative now openly to defend those rights. The sole desire of Japan in regard to Manchuria is to create there peaceful conditions so necessary to insure the prosperity of her interests and the existence of sane and healthy neighbors able by coöperation to contribute towards the ideal of world welfare."

The statement concludes with a hope "for the conclusion at the earliest possible moment of a fair and equitable settlement through direct negotiations between Japan and China. Such a settlement, however, can be possible only when there have emerged conditions insuring security of Japan's rights and interests in Manchuria, Mongolia, and, above all, when

China's leaders have abandoned their misconceptions of Japan's motives and their present mistaken policies." [1]

Chinese propagandists have exploited to the full the action of the Japanese army in setting up "puppet" governments in the Three Provinces, as revealing Japanese intentions not to withdraw from Manchuria. It may well prove, as we shall show, that the Chinese interpretation of Japan's action in this matter is correct. But it remains equally true that the Japanese have never concealed their desire for a change in the nature of the government in Manchuria, for reasons fully set out in Baron Dan's statement. Japan's actions may also be legitimately explained by their desire to see in office governments which will eliminate wasteful and repressive taxation by stopping excessive military expenditure and devoting public funds to social purposes. Certainly the Japanese have set their faces inflexibly against any settlement which would enable Chinese militarism once more to raise its head in a region where they have such vast investments at stake.

The difficulty which is immediately apparent when an attempt is made to forecast the probable course of events in this region is a double one—the well-known disinclination of the Chinese to face the realities of the past in Manchuria, and the equally strong disinclination of the Japanese to state precisely their aims and intentions for the future.

[1] *The Times*, December 10, 1931.

Remote as Manchuria may seem to be when viewed from London or New York, this area yet represents the greatest political riddle still unsolved in the modern world. To Japan dominance in the Three Provinces means economic survival, and it may truly be stated that no alternative concessions which might conceivably be offered to her elsewhere would provide adequate reparation for a set-back in the richest supply field of natural wealth in Asia. To the Great Powers, on the other hand, a settlement which tightened the grip of Japan upon that region would mean nothing less than a diplomatic defeat, and the first extension of Japanese power in the Far East for a quarter of a century. The realization of this fact may very well have prompted the action, under the Nine-Power Treaty, taken by the United States Government on January 8, 1932. For the peace of the Far East has been an uneasy one for many years, and any change in the balance of power raises questions which the Powers cannot view with indifference.

Two generations of statesmen have labored to preserve that *status quo,* now challenged by Japan more directly than at any time in the past. One can only admire the astuteness with which the Tokyo diplomats, or their generals, chose their moment. Japan's reiterated statement that "as China could not guarantee security and peaceful life, we had to step in and run the country" is a moderate and just claim—as far as it goes. Law and order, a respect for life and prop-

erty, are matters dear to the hearts of Europe and the United States.

But nevertheless, such claims are dust thrown in the eyes of the world. The mainspring of Japanese actions was a determination, when the right moment came, to so tighten her grip—at least economically and industrially—upon Manchuria that her prior claim to develop that region could not thereafter be disputed. Chinese civil war, the extension of disorder north of the Great Wall, and the tortuous and deliberately intimidating delays of Chinese diplomacy concerning outstanding issues of dispute gave the Japanese the chance they sought. The challenge prepared long since was launched. Swiftly and orderly the Japanese forces took one objective after another, the only surprising factor about their speedy occupation of the region being the degree of ruthlessness exhibited, such as the aërial bombardment of cities far from the "fighting line." The Chinese forces were impotent from the first shot; they withdrew to seek refuge behind the League of Nations and a flood of appeals for moral aid. Japan remained the master of Manchuria.

It is important that Japanese statements concerning security and the suppression of brigandage should not obscure the real issues raised by her recent actions. Japan knows—none better—that whoever owns this region, rich in mineral and natural resources, will dominate Asia during the next half-century. She knows, too, that whereas many of her present sources

of raw materials needed for her factories would be cut off in the event of a war in the Far East, the Japanese navy is powerful enough to keep intruders out of the Sea of Japan, and thus maintain intact her communications with the Manchurian coast. The possession of that coast would enable her to convert Hulu-tao into a strongly fortified naval base and coaling station. Once this was accomplished, the flood of iron, coal, oil-cake, and, above all, food, from the Manchurian plains to the over-populated centers of Japan would flow unchecked in war and peace. A nightmare of successive Japanese Governments, faced with a population which will increase by at least sixteen millions during the next twenty years, and for which already one-fifth of the food necessary for life must be imported, would be dispelled at last. In control of Manchuria, or at least in a position of dominance there, Tokyo would feel that the first step towards averting a possible national catastrophe had been averted.

More than that, with her position in Manchuria strengthened, and perhaps a garrison at Mukden, Japan would be in a position to exert very definite pressure upon China in the event of any recurrence of the economic boycott, or a challenge to her treaty rights in China proper. For whatever view may be taken in London or Washington of China's proposal for the abolition of extra-territorial privileges and the return of the concessions to Chinese control, Japan is unlikely to yield up either the one or the other, and for good reason. What is a matter of trading rights

to Great Britain or the United States is a vital political principle to Japan, ordained by fate to remain a great Power only so long as there is uninterrupted control over the raw materials she needs.

It is reasonable to assume that these considerations have never been absent from the minds of Japanese statesmen since 1905; indeed, Chinese complaints of repeated attempts at aggression by Japan are evidence of the continuity of Japanese policy in face of the obvious demands of the situation.

It is not improbable—indeed, it would be surprising were it not so—that Japan's plan of action in Manchuria was pigeon-holed in the archives of the War Department at Tokyo for years before the favorable moment arrived to put it into operation. With the arrival of 1931, and the impending breakdown of orderly government in the Three Provinces, Japan may well have considered her case sufficiently strong to accept the risk involved in the technical breach of the League Covenant, the Kellogg Pact, and the Nine-Power Treaty involved in the occupation of the country. Having decided upon action at a moment when the Great Powers were struggling with the economic and financial difficulties arising out of the world slump in trade, Japan could not withdraw without confessing failure, and probably only the dispatch of a League army to Manchuria—a contingency Tokyo was justified in dismissing as too remote to merit serious consideration—would have stayed her hand.

Having embarked on the policy of expelling the

remnants of Chinese control from Manchuria, Japan had the satisfaction of seeing events proceeding "according to plan." The difficulties facing the League in attempting to adjudicate in a region where there was considerable evidence to show that the nominal owners could not maintain orderly government, were obvious from the beginning. The real risk which Japan took was of a serious challenge from the Great Powers under the Nine-Power Treaty which guaranteed the "Open Door" policy in Manchuria, and Tokyo may well have been relieved when no steps were taken to invoke respect for that treaty until January 1932, when the occupation was complete.

On January 7, the United States Government dramatically intervened in the dispute by presenting the following Note to the Chinese and Japanese Governments, at the same time handing copies to the representatives of the nine Powers who were signatories of the Treaty of 1922, and "expressing to them the hope that they would send Notes to China and Japan in the same sense": [1]

> "With the recent operations about Chinchow the last remaining administrative authority of the Government of the Chinese Republic in Manchuria, as it existed prior to September 18, 1931, has been destroyed. The United States Government continues to be confident that the work of the neutral commission recently authorized by the Council of the

[1] *The Times*, January 8, 1932.

League of Nations will facilitate an ultimate solution of the difficulties now existing between China and Japan.

"But in view of the present situation, and of its own rights and obligations, the United States Government deems it to be its duty to notify both the Imperial Japanese Government and the Government of the Chinese Republic that it cannot admit the legality of any situation *de facto,* nor does it intend to recognize any treaty or agreement entered into between those Governments or their agents which may impair the treaty rights of the United States or its citizens in China, including those which relate to the sovereignty or independence or territorial and administrative integrity of the Republic of China, or their international policy relative to China, commonly known as the Open Door policy.

"The United States Government does not intend to recognize any situation or agreement which may be brought about by means contrary to the Covenants and obligations of the Pact of Paris of August 27, 1928, to which treaty both Japan and China, as well as the United States, are parties."

In view of strongly held beliefs concerning Japan's real aims in Manchuria, the significance of this communication needs no stressing. The United States Note was regarded as technically an invocation of the rights of the United States and her people

under the Nine-Power Treaty, under which both Japan and China pledged themselves to respect the sovereignty, independence and administrative integrity of China, and agreed to maintain the principle of equal opportunity in China for the commerce and industry of all nations, and to refrain from taking advantage of conditions in China to seek special privileges that would interfere with the rights of citizens of friendly states.

The United States Note, while technically invoking rights secured under the Treaty and the Kellogg Pact, was not regarded as the prelude to any demand for a conference of the signatory Powers. To the Japanese, however, it came as a warning that the United States was in no mood to accept any settlement military aggression might wrest from China.[1]

After considering the United States Note, the British Government decided not to forward any similar communication to Tokyo, and explained its attitude to this new development in the following communication issued by the Foreign Office on January 9:

"His Majesty's Government stand by the policy of the Open Door for international trade in Man-

[1] On January 27, 1932, the United States Government published correspondence between the United States and Japan, revealing that earlier protests against Japan's actions in Manchuria had been made, especially concerning the bombing of Chinchow, regarding which incident Mr. Stimson, United States Secretary of State, declared "the explanation of the Japanese military authorities seems quite inadequate"

churia, which was guaranteed by the Nine-Power Treaty at Washington.

Since the recent events in Manchuria the Japanese representatives at the Council of the League of Nations at Geneva stated on October 13 that Japan was the champion in Manchuria of the principle of equal opportunity and the open door for the economic activities of all nations. Further, on December 28, the Japanese Prime Minister stated that Japan would adhere to the Open Door policy and would welcome participation and cooperation in Manchurian enterprise.

In views of these statements His Majesty's Government have not considered it necessary to address any formal Note to the Japanese Government on the lines of the American Government's Note, but the Japanese Ambassador in London has been requested to obtain confirmation of these assurances from his Government."

Commenting upon this decision, *The Times* (January 11) stated that it did not seem to be the immediate business of the Foreign Office to defend the "administrative integrity" of China until that integrity was something more than an ideal.

"It did not exist in 1922, and it does not exist to-day. On no occasion since the Nine-Power Treaty was signed has the Central Government of China exercised any real administrative authority over large and varying areas of its huge territory.

To-day its writ does not run in Yunnan and in other important provinces, and, while its sovereignty over Manchuria is not disputed, there is no evidence that it has exercised any real administration there since Nanking became the Chinese capital."

The Japanese reply to the American Note was handed to Mr. Forbes, United States Ambassador at Tokyo, on January 16. Couched in reassuring terms, the Note opened with a brilliant example of Oriental diplomacy in its most adroit mood:

"The Government of Japan," it began, "were well aware that the Government of the United States could always be relied on to do everything in their power to support Japan's efforts to secure the full and complete fulfillment in every detail of the treaties of Washington and the Kellogg Treaty for the outlawry of war. They are glad to receive this additional assurance of the fact."

Further statements in the Note were:

"It may be added that the treaties which relate to China must necessarily be applied with due regard to the state of affairs from time to time prevailing in that country and that the present unsettled and distracted state of China is not what was in the contemplation of high contracting parties at the time of the Treaty of Washington. It was certainly not satisfactory then, but it did not

display that disunion and those antagonisms which it does to-day.

This cannot effect the binding character of the stipulations of treaties, but it may in material respects modify their application, since they must necessarily be applied with reference to the state of facts as they exist. . . .

While it need not be repeated that Japan entertains in Manchuria no territorial aims or ambitions, yet the welfare and safety of Manchuria and its accessibility to general trade are matters of the deepest interest and of quite extraordinary importance to the Japanese people."

The Note ended in a more promising vein:

"At the present juncture, when the very existence of our national policy is involved, it is agreeable to be assured that the American Government are devoting in a friendly spirit such sedulous care to the correct appreciation of the situation."

The Chinese Government, in its reply to the American Note, contented itself with an assurance that it had "absolutely no intention of concluding any treaties or agreements of the categories described," and accused Japan of the violation of not only the Nine-Power Treaty and the Kellogg Pact, but also of the Covenant of the League of Nations.

There the protest rests, in being believed that the original American Note was intended as a statement

of policy and a needed reminder to Japan that the United States would watch carefully any developments in the light of her interests in China and Manchuria, and the obligations imposed upon Japan by her signature to the Nine-Power Treaty.

The United States declaration, indeed, despite its diplomatic suavity, must have left an uneasy feeling in the minds of the Japanese Government, for it clearly indicated that the United States might not prove so complacent as had the League of Nations in the face of Japanese aggression, and it further introduced a new and important factor into the dispute by proclaiming that Washington reserved to itself the right to refuse to recognize any treaty negotiated between China and Japan which violated international treaties already existing. In this respect, the American Note was the most important diplomatic utterance produced by the crisis, and one that may yet have dramatic repercussions upon the fortunes of Japan, and even modify the terms of the final settlement of the existing situation.

Is Japan strong enough to carry out her real aims in Manchuria if these conflict with the interpretation placed upon the "Open Door" reservation by Washington and London? It is by no means certain that any change in Japanese policy in Manchuria will follow this protest, or, indeed, that any change is necessary. For the "Open Door" can remain just as wide open with the Japanese the virtual masters of Man-

churia as it was when Marshal Chang-Tso-Lin ruled at Mukden.

If Japan secures a dominant position in that region, she will be well able to afford that gesture to international sentiment, as is clear from even a cursory study of the past. For it must be borne in mind that it was under the era of the "Open Door" that Japan has established for herself a virtual monopoly of Manchurian trade, in so far as that trade is necessary to her industrial supremacy in the Far East. The "Open Door" has not prevented her from financing railway construction, establishing power plants, owning or controlling coal and iron mines, engaging in forestry operations, erecting and operating cotton mills or tapping the resources of Manchuria in any direction. Nor need it in the future. Geographically, Japan is so favorably situated that she can accept a policy of "all comers" and still tighten her grip upon Manchuria with every passing year. Neither Britain nor the United States can compete with her, however equal—theoretically—the "opportunities" may be. How otherwise explain the remarkable fact that Japan, a poor nation, has financed virtually nine-tenths of the development of Manchuria, despite the fact that Britain and the United States are reputed to be the great creditor nations of the world? The explanation is that Japanese enterprise and initiative have been concentrated upon Manchuria for the past twenty-five years to a degree unique even in the history of Asia. Indus-

trially, the Three Provinces are in pawn to Japan, who has established a strong title to continue the development of the region for the common benefit of all trading nations.

What, then, are the real aims of the Japanese Government in Manchuria? Those intentions cannot be revealed in detail until direct negotiations between Japan and China have opened and Tokyo shows its hand. But we are able to set down in outline certain principles, devided from an authoritative source, which will guide Japan in any settlement of the dispute. These may be taken as the irreducible minimum to obtain which Japan has occupied Manchuria and risked the weight of world opinion being thrown against her.

Japan never had, and has not now, any intention of leaving Manchuria. That is to say, of relinquishing her dominant position there. To do so would mean the economic extinction of Japan as a world Power.

Nor has she any intention of confining her interests to South Manchuria, short of counter-availing advantages being offered by Soviet Russia. Northern Manchuria is favored by the Chinese and Koreans and is as rich in natural resources as the south, and with the needs of her factories for raw materials increasing every year, nothing less than the right to draw upon the whole mineral wealth of Manchuria, and perhaps Mongolia, will satisfy Japan.

Politically, the Japanese intend to insist upon the observance of all rights conferred upon them by

treaties, and, incidentally, upon the right of Japanese subjects to own land, a vexed question which must be included in any general settlement of outstanding issues in Manchuria. They will further regard the preservation of law and order and the security of life and property a *sine qua non* which any government of Manchuria must give guarantees to observe before evacuation of the Japanese forces now outside the railway zone is carried out.

Regarding the actual future of Manchuria, and the form of government there, the alternatives are annexation, a Japanese mandate, an independent Chinese Government having close relations with Japan, or return to the control of Nanking. Of these possibilities the first and the last may be ruled out as unacceptable to Tokyo. The Japanese have no wish to incur the responsibilities and hostility which annexation would bring upon them. Nor are they prepared, at least according to the definite statements of their spokesmen, to contemplate evacuation, followed by a return of the country to the tender mercies of an ineffective government, and a lapse to lawless conditions, excessive taxation, militarism, war lords, and other impediments to peaceful trading. On this the present mood of Tokyo is adamant.

There remain the alternatives of a Japanese mandate over the region, exercised under the possible control of the League of Nations, or the setting up of a Chinese administration independent of Nanking

and dependent upon the good will of Japan for its peace of mind.

The possibility of Japan one day securing mandatory powers over the Three Provinces is a development which has been foreseen as within the range of practical politics by close students of Manchurian affairs.

"Arrangements ought to be possible for satisfying what, after all, would be fairly moderate demands or requirements on the part of Japan," states Mr. W. R. Crocker, with reference to Japan's urgent need of outlets to ease her pressing population problem.[1] "A possible arrangement that occurs to one who has worked on the matter is that Japan, in the event of a Manchurian crisis arising, might be given a mandate over Manchuria—or at least a part of Manchuria —from international society; or, if a mandate be not possible, then a protectorate under guarantees. By the end of the century, probably neither the internal stability of Manchuria itself, nor the security of Japan's economic interests, would longer need such a contrivance, and the Manchurians could run their own government as they chose."

Japan never having seriously considered the colonization of Manchuria with her own people, would be inclined to accept a mandate if such a solution were desired by an impartial international body, such as the League Commission, or the signatories to the Nine-Power Treaty, as the most satisfactory method

[1] *The Japanese Population Problem* (Allen and Unwin).

of placing Manchurian affairs upon a stable basis. Such a solution would undoubtedly satisfy Japanese demands except in one particular—the Japanese have never taken kindly to suggestions that their material interests should be dependent upon international opinion. Even a mandate would not give them that complete control over Manchuria which they see the possibility of gaining by a more devious method.

Japan's real aim when her troops advanced in September 1931 was undoubtedly the expulsion of the Nanking-controlled Government at Mukden, and the setting up, after a period of occupation by the military, of an independent Manchurian Government with Japanese advisers, and if not actually under the control of the dominant partner, strong enough to guarantee the continuance of orderly progress. From the achievement of that ambition Tokyo has never swerved through all the months of diplomatic negotiation and outside pressure which have since elapsed. Hence the insistence of her spokesmen on the purity of their intentions, denials of any plan to annex Manchuria, protestations that the "Open Door" will still be open when the smoke has cleared away. Hence, too, her repeated statements that only a strong government can safeguard Japanese interests in Manchuria and restore law and order.

To accomplish those objects, Tokyo desires the formation of a strong independent Chinese public opinion in Manchuria, and a clean sweep being made of the delays, intimidation, and uncertainties which

existed while Manchuria was under the control of China.

It was a bold stroke of Nippon to use her army to enforce such a change, for the risks were very real. With Japanese troops in control from Tsitsihar to Chinchow, and the Japanese flag planted on the Great Wall itself, these remain Japan's minimum demands—a sound and competent Government at Mukden, guided by foreign advisers, preferably Japanese, but some at least of whom might be British or American. This question of advisory control (the actual Japanese phrase) is regarded as important, because it would guarantee the industrial interests of Manchuria against a further period of lawlessness. While Tokyo may not consider it wise to insist upon an advisory council being composed exclusively of Japanese, it hopes to be in a position to call the tune played by any Chinese Government placed in office.

Can Japan enforce such a settlement? Undoubtedly, she will try to do so. Equally certain is it that China will oppose the loss of three of her richest provinces in every possible way short of actual war. In the end China will probably have to agree, with what grace she can muster, to a position which will not be very different from that of 1926, when Marshal Chang-Tso-Lin was virtually independent of the rising power of the Kuomintang, and held sway over Northern China.

The attitude of Soviet Russia towards whatever form of government follows the evacuation of the

Japanese forces will obviously be important. How would such a settlement be viewed by Moscow? As we have stated, relations between Russia and Japan are at present on a basis of "friendly neutrality." Negotiations are proceeding between the two nations for a new convention regarding fishing rights on the coast and for the adjustment of other minor matters. Soviet and Japanese statesmen have met and discussed amicably the points at issue.

It seems probable that if Soviet Russia is left in peace to develop her zone of interest composed of the Chinese Eastern Railway and the territory north of that line, that she in turn will not dispute any settlement Japan may secure in South Manchuria, more especially as Soviet Russia is intent upon completing undisturbed the first Five Year Plan, and launching the second installment of her industrialization program due at the end of 1932, upon the success or failure of which so much depends.

Of more immediate importance is the likely effects of such a settlement upon China. It is certain that the setting up of an independent government at Mukden, under Japanese pressure, will fan the flames of Chinese hatred of Japan to a whiter heat, but Japan has taken that into account. The anti-Japanese economic boycott has proved a damaging weapon in the hands of Nanking, and will doubtless be continued. While Japan has kept the question of that boycott largely separate from any consideration of the Manchurian question, her attitude has been

that these are both aspects of one problem—the problem of safeguarding Japanese rights in China. Hence Japan's action in sending naval forces to Shanghai following attacks upon Japanese subjects and her reported threat, which may or may not be carried out, of blockading Chinese ports as a protest against this form of economic warfare.

Once secure in Manchuria, the paramount interests of Japan in Asia will have been placed upon a firm basis, and she will be in a stronger position to exert pressure upon China in other matters. On the other hand, observers on the spot believe that control of Manchuria purchased at the price of losing the bulk of her Chinese trade will prove a Pyrrhic victory for Japan. Certainly the boycott is China's most powerful weapon, and now that she is practically out of Manchuria and unlikely to have it restored to her without qualifications insisted upon by Tokyo, China may well be persuaded that she has everything to gain and nothing to lose by inflicting all the damage possible upon her neighbor. For if the Japanese did not hesitate to advance in Manchuria, they would probably think not twice but many times before invading China proper with all the possibilities, even certainties, of international complications which such action would entail. It remains, therefore, profoundly true that the very weakness of China is her main strength. The Great Powers may be induced to accept a Japanese-inspired Government at Mukden, but no one in touch with international affairs will be rash enough

to sponsor the view that either Great Britain or the United States would stand aside were any extension of aggressive action into China proper begun by the Japanese troops.

Regarding the eventual repercussions of this accident of history which has brought the two yellow races face to face upon the mainland of Asia, the issues thus raised are pregnant with the destiny of nations—not only of China and Japan, but the Great Powers also. No end is in sight. Assuming that Japan retains virtual control over the richest regions of the Far East, and pursues there a policy of intensive peaceful development for half a century, both the strategic and industrial position in the Pacific will undergo profound changes favorable to Japan, always providing that meanwhile the pressure of population, the food problem, and urgent need for some outlet for her surplus millions have not produced any social upheaval in Japan itself.

Knowing the very real dangers which Japanese Governments must face at home during the next thirty years—dangers which if not averted by wise statesmanship may bring the onward march of Japan to a full stop—one cannot but admire the courage with which the Government seeks, while there is time, to provide "safety valves" for the future. Of all the possibilities in sight, apart from the setting aside of a portion of Australia for Japanese colonization, Manchuria offers the great hope of relief and the greatest source of future strength.

It is, we must repeat, the peculiar tragedy of the Japanese people that they rose to the position of a Great Power too late to join in the carving up of the world's empty places in the interests of the predominant nations. Every year it becomes more and more difficult to secure any adjustment of national boundaries, however just the demand behind the change, without provoking an international crisis, if not actual war. Yet some adjustment there must be if Japan is not to suffer a decline as rapid as was her rise.

Admitting both the breaches of treaty obligations by the Japanese in Manchuria, and the abundant provocation offered to them by successive Chinese Governments, it says much for Japanese patience that she waited until her investments, her property and the lives of her subjects had been rendered insecure by the spread of lawlessness north of the Great Wall before she attempted to secure, by direct action, that position in Manchuria which is vital to her existence, interests which, however just in abstract may be the Chinese case, no Japanese statesman dare permit to go by default.

For good or ill, the future of Manchuria will be fashioned in Tokyo. Other nations may insist upon the "Open Door." Susceptibilities may have to be considered. Camouflage may be employed to conceal uncomfortable facts; but the central fact will remain —Manchuria, the Promised Land of Asia, will in the immediate future go forward to a new era of swift

development under the guiding hand of Japan, in the interests of the world in general.

Any "settlement" which does not include the grant of Japan's minimum demands will be no settlement, but only the interlude to a fresh crisis in the future. For if one thing is true of the present position in Manchuria, it is that no treaty which cuts across the inexorable facts of history and economic necessity will be observed, or can protect Manchuria from its destiny. Treaties are open to conflicting interpretations, whereas Japan's needs are pressing, and her capital, skilled workers, and her bayonets are near.

It is the prospect of strenuous opposition to these facts by the Great Powers and the certainty of the relentless march of Japanese policy, which makes safe the prediction that Manchuria will remain the cockpit of Asia for half a century to come. Twenty-five years have passed since the Japanese first went to Manchuria; twenty-five more may have gone before the supremacy of Japan is complete, unless within that time Tokyo has suffered a definite check upon some other issue. For nothing short of a national defeat in war can rob Japan of the fruits awaiting the nation which develops the riches of the Manchurian plains.

THE END